



For illustrative purposes only



PUBLIC GUARDIAN  
AND TRUSTEE OF  
BRITISH COLUMBIA

Annual Report 2010 | 2011

## VISION

Rights, choices and security for all British Columbians.

## MISSION

The Public Guardian and Trustee is appointed to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision making; and administer the estates of deceased and missing persons.

## VALUES

Seven major values underpin PGT work and are reflected in all aspects of PGT performance:

**Integrity:** We act in accordance with the highest ethical, legal and personal standards.

**Client Centred Service:** We constantly strive to provide quality customer service to our clients who are the focus of our services.

**Openness:** We demonstrate responsibility and transparency to clients, government and the public through annual statutory public reporting on all aspects of our performance.

**Respect:** We treat clients, family and friends in a courteous, respectful manner.

**Teamwork:** We work with one another and with service partners in striving for seamless service delivery.

**Staff Support:** We acknowledge staff as our greatest resource and recognize and appreciate their expertise, professionalism and commitment.

**Innovation:** We challenge ourselves to seek new and improved ways to deliver service and assist clients.

## Table of Contents

Transmittal to the Attorney General .....	2
Message from the Deputy Public Guardian and Trustee .....	3
<b>2010-2011 Performance Report.....</b>	<b>5</b>
Accountability Statement .....	7
Special Activities in 2010-2011 .....	12
Mandate, Mission, Vision and Values.....	14
Accountability Framework .....	15
Program Areas.....	15
Societal Trends and Other Factors Affecting the PGT in 2010-2011.....	24
Context for 2010-2011 Performance Results .....	27
2010-2011 Performance Results .....	33
Linking Resources to Performance .....	48
<b>2010-2011 Financial Statements.....</b>	<b>55</b>
Operating Account.....	56
Estates and Trusts Administered .....	69

*The 2010-11 Public Guardian and Trustee Annual Report is available only in online format.*



## Transmittal to the Attorney General

September 20, 2011

The Honourable Shirley Bond  
Attorney General  
Parliament Buildings  
Victoria, British Columbia  
V8V 1X4

Dear Attorney General:

I have the honour of delivering to you the Annual Report of the Public Guardian and Trustee of British Columbia in accordance with the provision of section 25 of the *Public Guardian and Trustee Act*.

This report covers the period April 1, 2010 to March 31, 2011.

Yours truly,

A handwritten signature in dark ink, appearing to read 'C. Romanko', with a long horizontal flourish extending to the right.

Catherine M. Romanko  
Deputy Public Guardian and Trustee





## Message from the Deputy Public Guardian and Trustee

I am pleased to present the Annual Report for the Public Guardian and Trustee of British Columbia (PGT) for the period April 1, 2010 to March 31, 2011. This year the PGT carried out its statutory duties and provided protective services to some of the most vulnerable persons in the province while also undergoing significant change associated with the coming into force of new legislation that will change PGT roles and responsibilities.

The most significant impact to the role of the PGT this past year has resulted from the partial proclamation of the *Adult Guardianship and Planning Statutes Amendment Act, 2007*, which new law took effect on September 1, 2011. The legislation primarily provides options for adults to plan for their own potential future incapacity. The new law also enhances protection of vulnerable adults from abuse, neglect and self neglect and clarifies the role of the PGT in responding to reported allegations of financial abuse of vulnerable adults.

I am disappointed that the new legislative provisions related to the modernization of court and statutory adult guardianship will not be implemented at this time due to fiscal constraints. Proclamation of the new law relating to court and statutory adult guardianship is required to replace the archaic *Patients Property Act* in order to bring British Columbia into line with other jurisdictions where legislation reflects more modern approaches to guardianship. I look forward to proclamation of these provisions in the near future.

The PGT has also initiated planning for the implementation of the new *Wills, Estates and Succession Act, 2009* which will substantially change the manner in which the estates of deceased persons are administered in the province and accordingly will impact the role of the PGT in this area of the law. We anticipate that a proclamation date for this legislation will be announced by government later in 2011 at which time the PGT will commence more intensive activity to bring the new law into force.

I am pleased that the PGT issued its second report regarding our guardianship services for children in continuing care of the province. This report includes detailed information regarding the number and nature of critical incident reports involving these children and makes recommendations for improvement in the reporting of critical incidents by the Ministry of Children and Family Development (MCFD) to the PGT. The PGT relies on the information contained in the critical incident reports to seek legal redress for the injury or loss suffered by the children who are the subject of the reports and for whom the PGT is Guardian of Estate.

The child guardianship report also identifies the challenges faced by the PGT in responding to the impact of MCFD's decision to delegate responsibility for some child protection services. The MCFD initiative to delegate its statutory authority to Delegated Aboriginal Child and Family Service Agencies has resulted in the PGT becoming coguardian for children in continuing care with each of these agencies in addition to MCFD. This restructuring has significant unfunded resource implications for the PGT including the need to develop and maintain organizational relationships with a growing number of coguardian agencies.

I am looking forward to working with MCFD in resolving some of the issues identified in the guardian of estate report and am encouraged that the ministry is participating in discussions with the PGT.

## Message from the Public Guardian and Trustee ...continued

This past year has seen an increase in activity by the PGT in responding to a number of class actions in which PGT clients may have an interest. As committee, representative, guardian, executor or administrator, the PGT has a responsibility to identify clients who may have an individual claim to advance in a class action and to prepare the claim for submission. Currently, PGT staff are working diligently to meet deadlines for submission of individual claims on behalf of clients to share in the settlement of a number of significant class actions including the Woodlands School and Indian Residential School proceedings.

I also note that Jay Chalke, QC, Public Guardian and Trustee, has left his position as chief executive officer of this organization after 12 years of committed service to the principles and mandate of the PGT. Mr. Chalke assumed the leadership of the organization in 1999 first as Public Trustee and then as the first Public Guardian and Trustee for British Columbia when the position was initially established upon proclamation of the *Public Guardian and Trustee Act* in 2000. He has played a major role in furthering legislative change and implementing new programs to improve services to the vulnerable persons that our office serves. We look forward to building on the solid foundation that he worked to establish in this organization.

The coming year promises many challenges and exciting opportunities for the PGT to implement new laws, to create new and strengthen existing relationships with service partners and community stakeholders and to provide public education about the role of the PGT under BC law. I am confident that our work in all of these arenas will assist us to better serve our clients.

I also want to recognize the dedicated commitment of our staff who in their daily work strive to provide our clients with the best service possible in accordance with the values embraced by the office.

I am looking forward to leading the organization in the months ahead as we await the appointment of the next Public Guardian and Trustee of British Columbia.



Catherine M. Romanko  
Deputy Public Guardian and Trustee

## 2010 | 2011 Performance Report



PUBLIC GUARDIAN  
AND TRUSTEE OF  
BRITISH COLUMBIA



## Accountability Statement

The 2010-2011 Performance Report was prepared under my direction. I am accountable for the results achieved, the selection of performance measures, and how actual performance has been reported. The information presented reflects the actual performance of the Public Guardian and Trustee for the twelve months ended March 31, 2011. The report addresses all significant events that occurred, and decisions made, up to September 20, 2011.

The information presented represents a comprehensive picture of our actual performance in relation to our Service Delivery Plan. The report contains estimates and significant interpretive information that represents the best judgment of management.

The measures presented are consistent with the organization's mission, goals and objectives, and focus on aspects critical to understanding our performance. I am responsible for the design and operation of internal controls to ensure performance information is measured accurately and in a timely manner. Any significant limitations in the reliability of specific data are identified in the report.

The report is intended for a general audience. Specific users may require more detailed information than is contained in this report. The report has been prepared in accordance with the *Public Guardian and Trustee Act* and British Columbia Performance Reporting Principles.



Catherine M. Romanko  
Deputy Public Guardian and Trustee

September 20, 2011



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## Auditors' Report

**To:**  
**The Public Guardian and Trustee of British Columbia,**  
**The Attorney General, Province of British Columbia, and**  
**The Members of the Legislative Assembly of British Columbia**

We have audited the accompanying 2010/2011 Performance Report (Performance Report) of the Public Guardian and Trustee of British Columbia (PGT) for the year ended March 31, 2011 based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *Public Guardian and Trustee Act (PGT Act)* and on the Performance Reporting Principles For the British Columbia Public Sector (BC Performance Reporting Principles) endorsed by the Government of British Columbia, the Legislative Assembly's Select Standing Committee on Public Accounts, and the Auditor General of British Columbia in 2003 for use by public sector organizations in the Province of British Columbia (collectively referred to herein as the Criteria). The Performance Report and its fair presentation in conformance with the Criteria are the responsibility of the PGT. Our responsibility is to express an opinion, based on our audit, on the fair presentation of the Performance Report in conformance with the Criteria.

We conducted our audit in accordance with the standards for assurance engagements established by the Canadian Institute of Chartered Accountants. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the Performance Report is fairly presented in conformance, in all material respects, with the Criteria. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the Performance Report, evaluating the fair presentation of the Performance Report in conformance with the Criteria, and performing such other procedures as we considered necessary in the circumstances.

The Performance Report contains a number of representations by the PGT concerning the appropriateness of the PGT's goals, objectives, targets, explanations of the adequacy of planned and actual performance, and expectations for the future. Such representations are the opinions of the PGT, and inherently cannot



be subject to independent verification. Further, as described in Section G of the Performance Report, the tables and related information in Section G of the Performance Report are derived using an allocation model developed to reflect approximate usage of key services and other segmentation methodologies that are beyond the scope of this audit; accordingly, with respect to the tables and related information in Section G of the Performance Report, our audit was limited to providing reasonable assurance that the Performance Report is consistent with the audited financial statements contained in the PGT's 2010/2011 Annual Report.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we independently verified the representations described in the paragraph above and had we performed a more extensive examination of the tables and related information in Section G of the Performance Report as referred to in the paragraph above, the PGT's Performance Report for the year ended March 31, 2011 is fairly stated in conformance, in all material respects, with the Criteria comprised of subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act*, and the BC Performance Reporting Principles.

The attached Appendix to this report provides further explanation regarding the fair presentation of the Performance Report in conformance with the Criteria.

*KPMG LLP*

Chartered Accountants

Vancouver, Canada  
September 20, 2011

## Appendix to the Auditors' Report on the 2010/2011 Performance Report of the Public Guardian and Trustee of British Columbia

This Appendix summarizes and explains selected key aspects of how the Performance Report is fairly presented in conformance, in all material respects, with the requirements of subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act* and with the BC Performance Reporting Principles (collectively referred to herein as the Criteria).

### BC Performance Reporting Principle 1 – Explain the Public Purpose Served

The Performance Report identifies and explains the PGT's mandate, enabling legislation, mission, vision, and organizational structure. Core dates, enabling areas, services, clients, and stakeholders are described, as is the program and service partners. The PGT's role and relation to the courts and the role of the Crown are explained. The Performance Report describes the PGT's seven major values and how they guide and are embedded in the PGT's operations.

### BC Performance Reporting Principle 2 – Link Goals and Results

The Performance Report identifies and explains the PGT's mandate, vision, its service delivery plan including its mission, the goals and identified in support of its mission and vision, the related measures it has objectives and performance measures, and its actual results, providing detailed linkages and a logical flow between them. The relevance and providing long-term outcomes are identified and explained for key performance measures and results. Variances between planned and actual performance are identified and explained. The impact of results on the PGT's future direction is also identified and explained where relevant.

### BC Performance Reporting Principle 3 – Focus on the Few Critical Aspects of Performance

The PGT's April 1, 2010 – March 31, 2013 Service Delivery Plan identifies the PGT's five goals related to the three aspects of its mission, identifies specific objectives related to each goal, and related specific performance measures. Except for one performance measure that was planned but was not implemented as it was dependent on proclamation of legislation (which is explained in the Performance Report), the Performance Report

repeats this information from the Service Delivery Plan in a format that more directly links each performance measure with the related objective, and further provides in a clear, concise format the PGT's actual results for each performance measure, and the meaning and importance of each performance measure and result. The Performance Report also provides related contextual information regarding factors influencing the selection of goals, objectives, and performance measures, and factors influencing the actual results.

### BC Performance Reporting Principle 4 – Relate Results to Risk and Capacity

The Performance Report summarizes management's approach to risk, including risk identification and assessment, consideration of potential impacts of risks on achievement of PGT goals, and consideration of risk tolerance and mitigation strategies. It summarizes management's view of the significant risks faced by the PGT, related potential causes including capacity issues, and current and possible risk mitigation strategies for dealing with the risks. Current capacity is described in relation to current results and to the PGT's ability to deliver on its organizational goals and objectives.

### BC Performance Reporting Principle 5 – Link Resources, Strategies and Results

The Performance Report identifies the major sources, nature, and amounts of the PGT's funding, provides budgeted and actual revenues and expenses by program area and for the PGT as a whole, and explains key variances between budgeted and actual revenues and expenses for the PGT as a whole. Year-over-year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies, for each program area and for the PGT as a whole, the total staff, number of clients, and financial indicators including revenue,

expenses, and assets under administration. The Performance Report identifies trends and issues impacting results, revenues, and expenses, and also describes how resources, strategies, and results are linked, including linking areas of expenditure with its goals that are most directly affected by the expenditures. The Performance Report links financial and performance information in a way that should help readers understand the efficiency and economy of the PGT's operations.

#### **BC Performance Reporting Principle 6 – Provide Comparative Information**

For each identified specific performance measure linked to the PGT's goals, when applicable the Performance Report provides clear comparisons between planned results, actual results, and previous years' results, as well as targeted results for the following year. When relevant, explanations are provided of changes in the nature, source data, and/or calculation of the performance measures. Year-over-year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies trends and issues impacting results, revenues, and expenses. The Performance Report also explains the reasons for the lack of provision in the Performance Report of comparative information to similar organizations.

#### **The PGT Act, and BC Performance Reporting Principle 7 – Present Credible Information, Fairly Interpreted**

The Performance Report has been made by the PGT to the Attorney General, Province of British Columbia, by September 30, 2011 as required by the statutory reporting requirements and deadline specified in subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act*. Our related auditors' report is provided as required by section 26 (1) (b) of the *PGT Act*. Subject to

the limitations described in our auditors' report, our opinion relates to the credibility of the information in the Performance Report, including its fair presentation in conformance, in all material respects, with the Criteria based on the best judgement of the PGT.

#### **BC Performance Reporting Principle 8 – Disclose the Basis for Key Reporting Judgements**

The Performance Report explains the basis for selecting the aspects of performance on which it focuses and the rationale for the performance measures reported on. The Performance Report also provides concise explanations of how most performance measures are derived including, where relevant, data sources and the period covered. The process for selecting goals, objectives, and targeted results for performance measures, and how it is evolving, is described. Any significant changes in the way performance is measured or presented are described. The PGT provides an accountability statement describing their accountability for the Performance Report, and representing (among other things) that: the Performance Report has been prepared in accordance with the *PGT Act* and the BC Performance Reporting Principles; that it contains estimates and significant interpretive information that represents the best judgement of management; that the measures presented are consistent with the organization's mission, goals and objectives, and focus on aspects critical to understanding the organization's performance; and that it reflects the actual performance of the PGT for the twelve months ended March 31, 2011.

## Special Activities in 2010-2011

The focus of the Public Guardian and Trustee (PGT) is on serving clients by carrying out statutory duties. This requires undertaking a range of activities to respond to new legal requirements, changes in technology, service partner needs, evolving security standards, demographic change, increased demand for services, and accountability standards and cost pressures. In 2010-2011, the PGT participated in the following special activities:

### Direct Service

- Represented the interests of PGT clients in a variety of class proceedings including the Woodlands School, Indian Residential Schools, and tainted blood actions.
- Prepared *Child and Youth Guardianship Services 2009/2010 Report* describing PGT services provided to children in care for whom the PGT acts as Guardian of Estate.
- Restructured services to enhance security for client physical assets and increase efficiency and effectiveness.
- Developed a plan to implement new wills, estates and succession laws as they impact PGT roles and responsibilities.
- Initiated reviews of client billings for all PGT clients from licensed care facilities.
- Developed guidelines for PGT staff making decisions on use of restraints on adults in care facilities under the amended *Residential Care Regulation of the Community Care and Assisted Living Act*.
- Initiated development of financial literacy products for Aboriginal youth in partnership with Aboriginal Financial Officers of BC, Aboriginal Affairs and Northern Development Canada, Van City Savings Credit Union, Vancouver Aboriginal Child and Family Services Society and Urban Native Youth Association.
- Created materials to assist private trustees of minors where the trustees are being monitored by the PGT.
- Distributed almost \$27 million in funds of deceased estates to heirs and beneficiaries who were traced throughout Canada and other countries.
- Provided training in ethics and standards of conduct for all staff.
- Developed information materials to explain the role of temporary substitute decision makers appointed by the PGT to make health care decisions for others.
- Reduced time required to produce tax returns.
- Filed 253 probate applications with the Supreme Court of British Columbia for estates of deceased persons.

### Service Partners

- Worked with MCFD to improve working relations including establishing a formal joint liaison committee and developing processes to facilitate improved reporting to the PGT regarding children in care.
- Worked with Community Living BC (CLBC) to facilitate improved standards for service providers who assist clients with financial management and for better reporting of critical incidents involving PGT adult clients.
- Participated on seniors related cross government committees including developing a framework through the ten year BC mental health plan to prevent elder abuse and also furthering the Seniors in BC: A Healthy Living Framework.
- Chaired various interagency committees such as the Adult Guardianship Act Provincial Advisory Committee, BC Abuse/Neglect Prevention Collaborative and Designated Agencies to improve BC's collective ability to prevent, detect and respond to abuse, neglect and self neglect of vulnerable adults.

- Conducted review of PGT policies related to making health care decisions for incapable adults in consultation with service partners and stakeholders.
- Participated in implementation of the Cross Ministry Transition Planning Protocol for Youth with Special Needs.
- Participated in the BC Law Institute Project Committee reviewing potential undue influence and recommending practice for wills practitioners.
- Liaised with Ministry of Social Development (MSD) to clarify provisions for funeral arrangements on the death of a PGT client and to clarify exemption provisions for Persons with Disabilities when the PGT is committee of estate.
- Developed updated Guidelines for Issuing a Certificate of Incapability under the *Patients Property Act* and jointly coordinated a workshop on assessments of incapacity in conjunction with Vancouver Coastal Health and Fraser Valley Health Authorities.
- Transferred service to PGT clients resident in Riverview Hospital from a part time satellite office to the PGT Vancouver Office in response to the small and declining number of clients remaining in the hospital.

#### Capacity Building

- Participated in various law reform consultations relating to new wills, estates and succession laws and court rules; proposed new family law; proposed new law of guardianship of minors; proposed *Limitation Act* amendments; and implementation of new incapacity planning laws.

- Restructured the PGT revenue model to a cost recovery model to allow increased budget flexibility.
- Completed business requirements to integrate processes for critical incident reports and related legal data regarding children in care into PGT information technology systems.
- Developed a PGT Business Continuity and Disaster Recovery Plan.
- Initiated a business process review of PGT investments activity to develop options to respond to growing volumes and new investment vehicles.
- Purchased a perpetual licence to use the source code for the PGT CASE management system to meet business needs through more efficient and effective implementation of system enhancements.
- Enhanced systems security including implementing role based access and new secure remote access.
- Implemented an Enterprise Risk Management Framework.
- Implemented new processes for review of bank statements for adult clients to increase efficiency and enhance security of assets.
- Developed and began implementing a training module for staff dealing with threatening situations.
- Conducted leadership training for managers and supervisors to enhance skill levels.
- Relocated Vancouver Island Regional Office serving adult clients on Vancouver Island.

#### Interjurisdictional

- Led a National Association of Public Trustees and Guardians (NAPTG) project reviewing standards in various Canadian jurisdictions for visits to adult clients.
- Appeared before the Federal Financial Literacy task force, and made written submissions regarding importance of personal planning for adults and of financial literacy of children in care.
- Appeared before the Parliamentary Committee on Palliative and Compassionate Care and made a written submission regarding elder abuse.
- Liaised with federal government and other provincial jurisdictions regarding issues related to Registered Educational Savings Plan (RESPs) and Registered Disability Saving Plans (RDSPs).
- Participated in discussions with the Privacy Commissioner of Canada regarding possible amendments to facilitate reporting by financial institutions to the PGT of potential abuse, neglect and self neglect.
- Participated in working groups and other activities of NAPTG to address issues affecting the interests of PGT clients.



## A. Mandate, Mission, Vision and Values

### Mandate

The PGT mandate is to serve:

- Children and youth under the age of 19 by protecting their legal and financial interests;
- Adults who require assistance in decision making through protection of their legal rights, financial interests, personal and health care interests; and
- Deceased persons where there is no one willing or able to administer their estates, the estates of missing persons and the beneficiaries of personal trusts.

During 2010-2011, the PGT provided services through 246 employee positions to approximately 31,700 clients and administered approximately \$860 million of trust assets. When managing the financial affairs of an individual, estate, or trust, the PGT observes prudent business practices and is bound by both common law and statutory fiduciary principles associated with a trustee or an agent.

The PGT exercises quasi judicial authority in specific situations as a result of obligations created by statutory law. In addition, the PGT provides the court with reliable independent submissions when the property or financial interests of minors, vulnerable adults or estates are at risk.

The PGT self funds a large percentage (currently 64.2%) of its actual expenditures through fees and commissions charged on client income and assets.

The PGT has a fiduciary duty to advance the private interests of its clients even if they are contrary to the interests of government. It is independent of government in its case related decision making responsibilities.

### Mission

The PGT mission is to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision making; and administer the estates of deceased and missing persons.

### Vision

The PGT vision is "Rights, choices and security for all British Columbians".

### Statutes

#### Numerous acts set out the powers and duties of the PGT. Key provincial statutes include:

- *Adult Guardianship Act*
- *Child, Family and Community Service Act*
- *Community Care and Assisted Living Act*
- *Cremation, Interment and Funeral Services Act*
- *Employment Standards Act*
- *Estate Administration Act*
- *Estates of Missing Persons Act*
- *Family Relations Act*
- *Health Care (Consent) and Care Facility (Admission) Act*
- *Infants Act*
- *Insurance Act*
- *Insurance (Vehicle) Act*
- *Patients Property Act*
- *Power of Attorney Act*
- *Public Guardian and Trustee Act*
- *Representation Agreement Act*
- *Trustee Act*
- *Trust and Settlement Variation Act*
- *Wills Variation Act*

### PGT Values

- 1) **Integrity:** We act in accordance with the highest ethical, legal and personal standards.
- 2) **Client Centred Service:** We constantly strive to provide quality customer service to our clients who are the focus of our services.
- 3) **Openness:** We demonstrate responsibility and transparency to clients, government and the public through annual statutory public reporting on all aspects of our performance.
- 4) **Respect:** We treat clients, family and friends in a courteous, respectful manner.
- 5) **Teamwork:** We work with one another and with service partners in striving for seamless service delivery.
- 6) **Staff Support:** We acknowledge staff as our greatest resource and recognize and appreciate their expertise, professionalism and commitment.
- 7) **Innovation:** We challenge ourselves to seek new and improved ways to deliver service and assist clients.



## B. Accountability Framework

The PGT is a corporation sole established under the *Public Guardian and Trustee Act* (PGT Act).

The Public Guardian and Trustee during 2010-2011 was Jay Chalke, QC, who was reappointed by the Lieutenant Governor in Council to a six year term effective February 28, 2006 and left the PGT on August 1, 2011. The PGT can serve a maximum of two terms. Under the *PGT Act*, the Deputy Public Guardian and Trustee performs the duties of the PGT when the PGT is absent or the position is vacant. Catherine Romanko, Deputy Public Guardian and Trustee is now leading the organization until a new Public Guardian and Trustee is appointed by the province.

The PGT is accountable to the provincial government, the legislature, the public and directly to PGT clients. Overall accountability is exercised through the government's review and approval of the PGT service delivery plan, public reporting on performance, and through annual independent performance and financial audits.



The PGT is a corporation sole. This is a corporate legal structure in which all authority and responsibility is vested in a single office holder who may delegate authority and who operates without a board of directors. This structure is used primarily in situations requiring clear accountability and is a common model for Public Guardians and Trustees in Canada.

Accountability to PGT clients is exercised through internal review processes, the Ombudsperson and judicial oversight of PGT statutory and fiduciary obligations.

Many PGT functions are fiduciary in nature and judicial oversight mechanisms are highly developed.

Two advisory committees assist the PGT. The *Investment Advisory Committee* is a statutory committee established under the *Public Guardian and Trustee Act* to advise on strategic investment policy. The *Audit Advisory Committee* is established by the PGT to advise on key aspects of internal and external audit, accountability and internal controls.

## Prospective Performance Planning

Section 22 of the *Public Guardian and Trustee Act* requires the PGT to prepare an annual three year Service Delivery Plan (SDP) and deliver it to the Attorney General not later than December 31 for the upcoming three fiscal years starting the following April 1. If approved by the Attorney General, the plan must be submitted to the provincial Treasury Board for approval. The Act specifies content of the SDP.

## Retrospective Performance Reporting

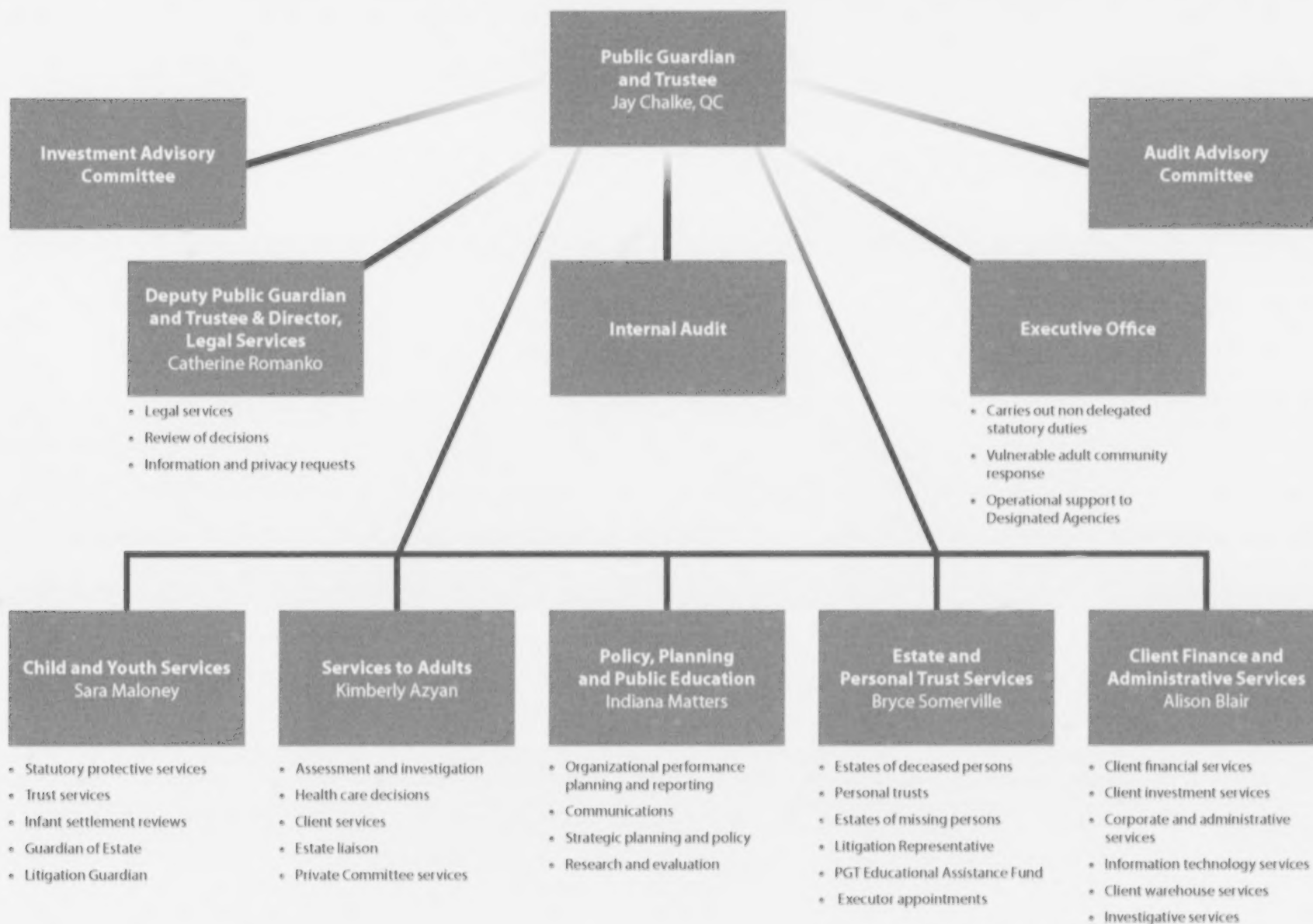
Section 25 of the *Public Guardian and Trustee Act* requires the PGT to report to the Attorney General in each fiscal year on operations of the office for the preceding fiscal year. This annual report must be provided to the Attorney General by September 30, and thereafter tabled in the Legislative Assembly. The Act stipulates that the annual report must include an audited performance report relating to the performance targets and other objectives established in the SDP, together with audited financial statements for both PGT operations and its stewardship of the estates and trusts under administration.

The statutory requirement for annual independent audits of both the PGT performance report and the two PGT financial statements is unique among BC public bodies.

## C. Program Areas

The PGT serves clients primarily through three broad program areas: Child and Youth Services; Services to Adults; and Estate and Personal Trust Services. These are supported by Client Finance and Administrative Services; Legal Services; and Policy, Planning and Public Education. The Executive Office provides overall direction, coordination and consultation with Public Guardians and Trustees in other jurisdictions. It also provides coordination of Vulnerable Adult Community Response and non delegated statutory duties, e.g., approval of infant settlement reviews, the most serious substitute health care decisions and major trust disbursements. An Internal Audit Unit provides internal audit services.

## Public Guardian and Trustee of British Columbia Organizational Chart (as at March 31, 2011)



## PGT Stakeholders and Service Partners

PGT Primary Client Groups	Key PGT External Relationships	Key PGT Private Sector Relationships
<p>Almost all PGT clients are vulnerable due to legal status or other incapacity arising from diseases of aging, mental illness, brain injury, special needs, or minority. Clients include:</p> <ul style="list-style-type: none"> <li>• Children in continuing care of the province</li> <li>• Children with trust funds</li> <li>• Children whose guardians wish to settle a claim for damages on behalf of the child</li> <li>• Seniors who require assistance with decision making</li> <li>• Adults with serious mental disorders or mental illness</li> <li>• Incapable adults without family who require health care decisions</li> <li>• Adults with developmental disabilities</li> <li>• Adults with acquired brain injuries</li> <li>• Adults experiencing abuse, neglect or self neglect</li> <li>• Heirs and beneficiaries of estates of deceased and missing persons</li> <li>• Beneficiaries of personal trusts</li> </ul>	<p>Clients are at the core of all PGT activity. The PGT liaises with and/or works in partnership with a broad range of individuals and organizations in helping clients meet their needs. These include:</p> <ul style="list-style-type: none"> <li>• Family and friends of clients</li> <li>• Community groups</li> <li>• First Nations</li> <li>• Insurance Corporation of BC (ICBC)</li> <li>• BC Unclaimed Property Society</li> <li>• Public service partners with statutory authority, e.g., CLBC, Representative for Children and Youth, Assisted Living Registrar, Health Authorities, Delegated Aboriginal Child and Family Service Agencies, Designated Agencies and BC Coroners Service</li> <li>• Provincial government ministries, e.g., Children and Family Development, Social Development, Attorney General and Health</li> <li>• Court of Appeal, Supreme Court and Provincial Court of British Columbia</li> <li>• Law Society of British Columbia</li> <li>• Canada Bar Association (BC Branch), Government of Canada, e.g., Aboriginal Affairs and Northern Development Canada, Canada Revenue Agency, Department of Veterans Affairs</li> <li>• EC Investment Management Corporation (bcIMC)</li> </ul>	<p>The PGT works with a wide range of private sector service providers in meeting its responsibilities for protecting the personal, legal and financial interests of clients. These include:</p> <ul style="list-style-type: none"> <li>• Private service providers, e.g., care facilities, funeral homes, personal attendants</li> <li>• Personal service providers</li> <li>• Financial institutions, e.g., banking, investment services, private investment managers</li> <li>• Medical and social services professionals</li> <li>• Lawyers</li> <li>• Accountants</li> <li>• Insurance providers</li> <li>• Real property managers</li> <li>• Heir tracers</li> </ul>

## 1. Child and Youth Services

The PGT protects the legal and financial interests of minors under the authority of a range of provincial statutes. The PGT Child and Youth Services division (CYS) works on behalf of and directly with minor children and youth as well as with their parents or guardians.

Some statutes direct the PGT to carry out a protective review function to ensure that a minor's legal and property interests are protected, whereas other statutes authorize the PGT to act directly on behalf of a minor in the role of Guardian of Estate, Litigation Guardian or Trustee.

In 2010-2011, in addition to maintaining service levels, CYS focused on working in partnerships with other agencies to develop financial literacy among children in care. It also worked to enhance its working relationship with MCFD.

CYS has three primary business lines.

### a. Guardian of Estate

As Guardian of Estate, the PGT is coguardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies (DAAs) for children in continuing care of the province. The PGT is also Guardian of Estate for children who have no legal guardian or are undergoing adoption.

As Guardian of Estate, the PGT advances legal claims for damages arising from injuries suffered by children in care. The PGT also pursues financial benefits to which PGT clients are entitled such as Canada Pension Plan Children's Benefits and Registered Disability Savings Plans.

### b. Trustee

The PGT receives trust funds on behalf of minor children, including personal injury settlement proceeds, life insurance proceeds where a minor is beneficiary and no trustee is named to administer the funds, shares of estates where no trustee is named, and a portion of wages earned by child entertainers. Funds are typically held in trust until the child turns 19 (the age of majority in BC) unless disbursed earlier for the benefit of the child.

### c. Protective Legal Reviews

The PGT protects the legal interests of minors by reviewing proposed settlements of claims for unliquidated damages brought on their behalf. The settlements relate to claims such as those arising from medical malpractice, motor vehicle accidents and/or the wrongful death of a parent or guardian. These reviews ensure that the settlements are reasonable and in the best interests of the minors.

To protect the property interests of minors in trusts and estates, the PGT also reviews notices of applications to administer an estate of a deceased person or to vary a trust or a will wherever a minor is a beneficiary or may be entitled to a share in the estate or trust. Where the PGT has reason to believe that a minor's interest in a trust is at risk, the PGT will investigate the circumstances around the trust on behalf of the minor.



For illustrative purposes only.

### Child and Youth Services

Total Staff:	44 positions
Total Clients:	20,848*
• Guardian of Estate	6,505
• Trustee	11,646
• Protective Legal Reviews	3,798
• Litigation Guardian (non Guardian of Estate)	80
Total value of assets under administration (at March 31, 2011):	\$185 million
• Investments and securities	\$179 million
• Real property	\$6 million
• Other	\$0.4 million

\*Client counts reflect the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the division total is typically less than the sum of the business lines as clients may require service in more than one business line.



## 2. Services to Adults

The PGT protects the legal rights and personal and financial interests of adults who are unable to manage their affairs independently and who require substitute decision making. The majority of adult clients rely on PGT financial and legal management or review of decisions made by others. The PGT also exercises personal care decision making for a small number of adults and makes substitute or health care decisions on behalf of others.

The PGT Services to Adults division (STA) acts for adult clients when other appropriate substitute decision makers are not available. Most adult clients have diseases of aging that have impaired their mental capability, while others have mental illnesses, developmental disabilities or brain injuries.

The PGT provides both direct and review services and strives to balance client independence and the right of self determination with the need for protection.

The trend continues for adult clients to come to the PGT for shorter periods later in life. Clients may have complex assets or debts that the PGT must manage and these assets in an increasing number of cases, are located outside of British Columbia. During 2010–2011, in addition to maintaining service levels, STA focused on changing processes to increase efficiency and security. STA also worked with service partners such as CLBC to enhance understanding of roles and responsibilities and others to improve policies.

STA has five primary business lines.

### a. Assessment and Investigation

The first contact the PGT has with most adult clients results from staff responding to reports from concerned friends, relatives or professionals to assess whether PGT services are required. This includes investigating reports of financial abuse of adults who may be incapable and consulting with community and family members on possible abuse, neglect and self neglect issues.

### b. Health Care Decisions

Under the *Health Care (Consent) and Care Facility (Admission) Act*, health care professionals must obtain informed consent before treating a patient.



For illustrative purposes only.

A substitute decision maker is generally needed if patients are mentally incapable of making their own treatment decisions. In the absence of an existing substitute decision maker such as a Committee of Person or a Representative under a Representation Agreement, the Act allows the closest qualified relative to make decisions. When these qualified individuals are not available or where there is significant conflict among equally close relatives, the PGT is called upon to appoint another substitute decision maker or to make substitute treatment decisions itself.

### c. Client Services

During 2010–2011, the PGT provided a range of financial and personal care management services for adults in vulnerable situations. It acted under a number of different roles including Committee of Estate, Committee of Person, Power of Attorney, Representative, Litigation Guardian and Pension Trustee.

When the PGT is appointed as Committee of Estate, staff work with the client to establish an effective plan that includes securing assets and pursuing income, benefits and compensation, paying bills, administering investments and managing property. When appointed as Committee of Person, the PGT makes health and personal care decisions on behalf of these adults.

### d. Estate Liaison

Estate Liaison coordinates completion of STA involvement in a client's affairs and releases property under PGT administration when services from STA are no longer required. Client affairs are transferred to Estate Liaison when the PGT no longer has authority for an adult client because the individual has become capable of managing their own affairs, someone else has been appointed as Committee, or because the client has died.

#### e. Private Committee Services

Committees are appointed by the court to manage the financial and/or legal or personal interests of an incapable adult. Private Committees are often family or friends of the adult. Where the committee is not the PGT, the PGT conducts financial and other reviews of the actions of the Private Committee to assess whether the adult's interests are being protected.

Services to Adults	
Total Staff:	94 positions
Total Clients:	8,922*
• Assessment and Investigation	1,980
• Client Services	4,413 clients
• Health Care Decisions	630
• Estate Liaison	1,107 clients
• Private Committee Services	2,208
• Adult legal monitoring	983
Total value of assets under administration (at March 31, 2011):	\$504 million
• Investments and securities	\$368 million
• Real property	\$123 million
• Other	\$13 million

\*Client counts reflect the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

### 3. Estate and Personal Trust Services

The PGT provides estate administration and personal trust services through the Estate and Personal Trust Services division (EPTS).

In 2010-2011, in addition to maintaining service levels, EPTS focused on planning for the proclamation of new legislation and on developing organizational processes to enhance security of client assets.

EPTS has six primary business lines.

#### a. Administration of Estates of Deceased Persons

As Official Administrator for British Columbia, the PGT administers the estates of persons who have died and no one is willing and/or able to administer their estates, where the heirs or their whereabouts are unknown or where the executor's whereabouts are unknown. The PGT also administers estates of deceased persons where the heir is a client under authority in another PGT division such as Services to Adults or as a child or youth for whom the PGT is Guardian of Estate. In addition, the PGT acts as Executor when appointed under a will.

Where the estate is of minimal value and no next of kin can be found who are willing and/or able to undertake the arrangements, EPTS ensures that a referral is made to the Ministry of Social Development to provide for a respectful funeral at public expense.

#### b. Personal Trusts

The PGT acts as trustee for personal trusts created either by will, court order, or inter vivos settlement. Where options to appoint a family member or trust company are not appropriate, the PGT may agree to act as Trustee. The trusts may be created to ensure that the benefits going to a child or adult

are protected or alternatively, may be created to provide benefits going forward in perpetuity for a charitable organization. Most of the trusts are discretionary as to the payment of both income and capital, so the funds are distributed at PGT discretion as Trustee in accordance with terms of the trust agreement.

#### c. Executor Appointments

The PGT holds information from living persons who have named the PGT as Executor in their wills. The PGT communicates with them periodically to confirm that their estate plans are unchanged.

#### d. Litigation Representative

The PGT may agree to act as Litigation Representative for purposes of a specific legal action brought against an estate where there is no Executor, Administrator or other person to act. The PGT role is generally limited to accepting services on behalf of estates without assets. If the estate has assets, the PGT will apply for Letters of Administration to administer it and will deal with the litigation under that authority. These cases are externally driven, both in terms of the number of cases and the length of time required to resolve the associated legal issues.

#### e. PGT Educational Assistance Fund

As Trustee of a trust established by the province of BC in 1989, the PGT provides bursaries to qualifying adults who were formerly under the continuing care of the province.

Applicants are assessed on their grades, financial needs, career goals and other considerations. Funds available are dependent on rates of investment return. The trust had a capital value of \$770 thousand at December 31, 2010.



In 2010-2011, there were 30 applicants ranging in age from 19 to 52 years. Bursaries ranging from \$800 to \$1,800 and totaling \$19,100 were awarded to 17 individuals.

Applicants had a wide range of career goals ranging from social work and business education to dental therapy and international studies.

#### f. Estates of Missing Persons

The PGT acts as Curator for persons who are missing as defined in the *Estates of Missing Persons Act*. The Curator manages the adult's property until the person is located or until the funds are paid into court for safekeeping. These cases are rare.

#### Estate and Personal Trust Services

Total Staff:	27 positions
Total Clients:	2,262*
• Deceased estates	1,741
• Personal trusts	276
• Litigation Representative	36
• PGT Educational Assistance Fund	30 applicants
• Estates of Missing Persons	0
• Executor appointments	229
Total value of assets under administration (at March 31, 2011):	\$170 million
• Investments and securities	\$138 million
• Real property	\$28 million
• Other	\$4 million

\*Client counts reflect the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

## 4. Client Finance and Administrative Services

The PGT Client Finance and Administrative Services division (CFAS) provides both corporate and direct client services. Corporate services include budget planning, corporate accounting, information technology, human resources coordination, mail room, facilities and office administration.

Client services include collecting client income, making client disbursements, providing investment expertise used in preparing client investment plans and investigating, securing and storing physical assets on behalf of clients.

During 2010-2011, in addition to maintaining service levels, CFAS focused on continued development of the PGT information technology infrastructure and on restructuring services related to client physical assets.

CFAS has six primary business lines.

#### a. Information Technology Services

The PGT is independent in its client decision making and maintains its information technology services independently from the provincial government to protect client confidentiality.

#### b. Client Financial Services

Client Financial Services (CFS) has ongoing responsibility for managing client income, assets and liabilities.

#### c. Investment Services

Investing client assets is a significant PGT responsibility and by statute the PGT is required to act as a prudent investor. It applies diligent

processes when reviewing and assessing clients to determine their investment goals and objectives. The PGT develops personalized investment plans to meet the identified client goals and objectives. For more information see page 22.

A statutory PGT Investment Advisory Committee is consulted on the investment policy for each pooled investment fund and provides advice on monitoring and measuring PGT investment performance, processes for engaging investment managers and other investment service providers and internal investment administration processes.

#### d. Corporate Financial Services

Corporate Financial Services provides budget planning, development and monitoring, and corporate payment processing for the PGT. This includes preparing and supporting Treasury Board submissions, assisting with proposals for new legislation and leading the organization in implementing corporate wide financial initiatives.

#### e. Facilities and Administrative Services

Facilities and Administrative Services (FAS) provides corporate facilities, mail, records and administrative services. As an example, during 2010-2011, it logged more than 37,000 incoming cheques.

#### f. Field Services

Field Services investigates and secures client assets. It was structured as a separate unit in 2010 through a corporate restructuring designed to improve service and enhance security.

## Investments

The PGT has three pooled investment funds for clients – the Premium Money Market Fund, the Balanced Income Fund, and the Balanced Growth Fund.

The Premium Money Market Fund is intended to preserve capital for risk averse clients and provide liquidity and an improved rate of return for short term investments. (Fund size \$476M at March 31, 2011)

The Balanced Income Fund is aimed at generating current income with some growth. It is used most frequently by adult clients with medium term investment time horizons. (Fund size \$28M at March 31, 2011)

The Balanced Growth Fund is aimed at long term capital growth. It is used most frequently by clients with longer investment time horizons such as young children. (Fund size \$66M at March 31, 2011)

Client cash balances are professionally invested in the pooled funds and other investment alternatives, including brokerage services and discretionary managed accounts. Although the PGT most often meets client investment needs through its three pooled funds, the choice of alternatives is determined by client goals and objectives set out in investment plans which are monitored on a regular basis according to portfolio risk.

The following table provides comparisons of rates of return for PGT pooled funds and standard alternatives as at March 31, 2011.

PGT Pooled Funds*	Comparisons**
<b>Premium Money Market Fund</b> • 1.8% (1 year)	• 91 day Government of Canada Treasury Bill: .8% • 3 year GIC: 2.61% • Chequing account interest: .05%
<b>Balanced Income Fund</b> • 4.11% (5 years annualized)	• Standard industry portfolio benchmarks: 3.70% (5 years annualized)
<b>Balanced Growth Fund</b> • 3.32% (5 years annualized)	• Standard industry portfolio benchmarks: 2.98% (5 years annualized)

\* 5 year return numbers for balanced funds match risk portfolios of fund participants.

\*\* Sources: Premium Money Market Fund – interest paid on PGT client account balances; GOC Treasury Bill – RBC Dexia; GIC – CIBC Wood Gundy; Chequing account – CIBC Wood Gundy; Balanced Income Fund and Balanced Growth Fund – RBC Dexia benchmark investment analytics.

## 5. Legal Services

PGT Legal Services are delivered by a complement of 13.5 staff lawyer positions distributed among program and corporate services and supplemented by outside counsel as required. The Deputy Public Guardian and Trustee is the Director of Legal Services.

Within their assigned areas of practice, the staff lawyers provide advice to the PGT when acting on behalf of clients in a representative capacity. In this role, staff lawyers may appear at mediations or in civil proceedings on behalf of PGT clients or may instruct outside counsel acting on behalf of clients in a variety of civil matters.

The staff lawyers also carry out certain statutory obligations of the PGT, such as reviewing applications for appointments of Private Committees, reviewing settlements of claims for unliquidated damages on behalf of minors, reviewing proposed transactions affecting the property interests of minors and reviewing legal notices where the interests of minors or incapable adults may be affected. In some circumstances, staff lawyers provide written comments to the court regarding issues concerning the interests of minors or incapable adults in civil proceedings.

In 2010-2011, PGT staff lawyers provided legal advice and services to clients that involved acting on approximately 4,500 different legal issues.

The Administrative Counsel carries out a variety of duties to support PGT statutory obligations, including overseeing PGT involvement in advancing client interests in class proceedings. The Administrative Counsel also oversees provision of legal services to PGT clients by outside counsel.



The Information and Privacy Lawyer coordinates compliance with access and privacy legislation. The majority of PGT requests are complex and are made by family members of PGT clients. In 2010-2011, the PGT responded to 32 requests and participated in 2 reviews conducted by the Information and Privacy Commissioner.

The Deputy Public Guardian and Trustee and staff lawyers contribute regularly as speakers and writers to Continuing Legal Education activities with respect to the law which impacts PGT clients. They also participate in government law reform initiatives where the reform is relevant to the PGT mandate.

## 6. Policy, Planning and Public Education

The Policy, Planning and Public Education division provides a range of organization wide services in support of PGT operations. These include statutory organizational performance planning and reporting, internal and external communications, strategic planning, policy, research and evaluation. During 2010-2011, the division focused on continued enhancements to reporting of PGT management information.

## 7. Vulnerable Adult Community Response

The PGT operational response to abuse, neglect and self neglect of adults who are or may be legally incapable rests with the Services to Adults division. The *Adult Guardianship Act* also provides for the PGT to designate external agencies who then have a duty to receive and respond to allegations of adult abuse, neglect and self neglect. The current Designated Agencies are the Health Authorities, CLBC and Providence Health Care Society.

The Act further provides for the PGT to organize community networks to provide support and assistance to abused and/or neglected adults. This is accomplished through coordinating a range of standing committees and special events involving service partners and other stakeholders.

Major standing committees include the Designated Agency Clinicians Teleconference Network which includes Health Authorities and CLBC; the BC Adult Abuse/Neglect Prevention Collaborative (Collaborative), a province wide community/government working group; and the Adult Guardianship Provincial Advisory Committee comprising representatives of the PGT, the Health Authorities and CLBC.

During 2010-2011, the PGT focused on facilitating awareness of and response to suspected financial abuse of seniors. The Collaborative assisted the RCMP in updating information to assist officers in dealing with elder abuse.

## 8. PGT Cross Divisional Activities

The PGT also undertook a number of significant cross divisional activities in 2010-2011. The primary such activity continued to be directed toward a multiyear enhancement of internal controls.

PGT Summary Activities	
Total Staff:	246 positions
Total Clients:	31,734*
Total value of assets under administration (at March 31, 2011):	\$860 million
• Investments and securities	\$685 million
• Real property	\$158 million
• Other	\$17 million
<b>Business Indicators:</b>	
• Client funds invested	\$685 million
• Client bills paid	\$159 million
• Client receipts processed	\$183 million
<b>Other Indicators:</b>	
• Clients with trust accounts	15,809
• Real properties sold	117
• Income tax filings	5,471

\*Client counts reflect the number of individual clients served by both individual divisions and by major business lines throughout the year. Because of this, the PGT total is typically less than the sum of the division totals as clients may require service in more than one division.

## D. Societal Trends and Other Factors Affecting the PGT in 2010-2011

A number of significant social trends, risk factors and internal issues affect the work of the PGT. These include the following:

### a. Legislative Framework

The PGT serves its clients under a disjointed legal framework that includes outdated requirements side by side with contemporary approaches. As an example, the current framework governing protection of incapable adults is a mixture of old and new legislation with contradictory policy objectives that result in significant gaps in coverage. This situation has developed over time as newer statutes have been implemented with provisions that better reflect contemporary views on substitute decision making while older statutes embodying outdated attitudes have remained in effect.

The disjointed legal framework has also made it difficult for BC to comply with various international agreements to which Canada is a signatory. This situation results in considerable confusion among both the public and professionals, including doctors and lawyers. It negatively impacts clients as the PGT may be unable to respond to client needs and expectations with as much flexibility as desired.

The statutory framework for providing services to children in care is also outdated as PGT services are restricted to those children who are the subject of a continuing care order. This order (formerly called permanent wardship) used to be the only manner in which services would be provided but alternative forms of care are increasingly being applied to more effectively meet children's needs. However, this new practice

means that children in long term alternative forms of care do not have access to effective guardianship protection of their legal and financial interests.

While these major legislative gaps remain, the PGT is entering a period of significant statutory change. Proclamation of the full *Adult Guardianship and Planning Statutes Amendment Act, 2007* has been deferred because of economic conditions. However the legislature has passed a law to allow 2007 reforms to be brought into force in phases. The less costly incapacity planning provisions will come into force on September 1, 2011 while the court and statutory guardianship reforms await a more favorable fiscal climate.

Proclamation of the *Wills, Estates and Succession Act, 2009*, is expected in the near future. This act and associated revised court rules will modernize the laws of succession governing the manner in which estates of deceased persons are administered in British Columbia.



For illustrative purposes only.

A new *Family Law Act* replacing the *Family Relations Act* is also expected to be passed in 2011 and will significantly change guardianship of minors in British Columbia. Related amendments would be made to the *Child, Family and Community Service Act* and the *Public Guardian and Trustee Act*.

Other changes to the legislative framework are expected to include amendments to the *Limitation Act* and changes to the *Residential Care Regulation* relating to the use of restraints.

### b. Services to Aboriginal British Columbians

The PGT has long recognized the particular needs of Aboriginal British Columbians and has sought to improve its services to this community accordingly. The need to facilitate improved service both to Aboriginal clients, First Nations and related organizations is becoming more pronounced as Aboriginal organizations are increasingly becoming service partners with the PGT.

One of the most significant impacts continues to be the need to respond to MCFD devolution of child protection services. MCFD's increasing delegation of statutory authority to Delegated Aboriginal Child and Family Service Agencies has resulted in the PGT becoming coguardian for children in continuing care with each of these additional agencies in addition to MCFD. This restructuring has significant unfunded resource implications for the PGT including the need to develop and maintain organizational relationships, to provide education regarding each party's respective roles and develop and implement information sharing agreements and reporting with growing numbers of coguardian organizations.

The BC Aboriginal population is experiencing a large increase in the proportion of children and young adults. As Aboriginal children are currently overrepresented among children receiving child protection services, this



population growth emphasizes the importance of PGT staff improving their cultural competency.

The impact of finalizing and implementing treaties also impacts PGT services. Withdrawal of the federal government from providing services on reserve upon treaty implementation may, depending on the treaty, involve new responsibilities for the PGT.

The PGT continues to work jointly with First Nations reserve communities, Health Authorities and police services in coordinating resources to respond to abuse of vulnerable adults, including assisting in development of related interagency protocols.

While the PGT is eager to improve service delivery to Aboriginal British Columbians, its ability to accomplish this in a timely manner is constrained because the PGT is largely self funding through fees and commissions paid by clients and receives no public funding to facilitate this. As further treaties are signed in which services formerly delivered by the federal government are to be delivered by the PGT, the resourcing gap will likely be exacerbated unless offsetting funding is provided to the PGT. Improving service is further constrained as resources do not permit a PGT regional office in the northern region of the province where many Aboriginal clients live.

#### c. An Evolving Legal Services Environment

Providing for legal services to clients is a major PGT responsibility as a fiduciary and is a growing service area. The increase in the number of class proceedings is a significant pressure for the PGT to determine which of its clients might be class members. The PGT faces a particular challenge in trying to determine this because many adult clients have no family and few records of their lives prior to PGT involvement. Also, mental incapacity may limit the ability of clients to

provide a reliable account of their experiences. While externally incurred costs arising from researching and securing records required to assess possible eligibility are borne by the clients, these demands also impact overall PGT organizational capacity and resources. The PGT is currently considering potential claims related to 12 separate categories of class actions and related group proceedings. Several others have been reviewed but will not be pursued unless the PGT becomes aware of a possible claim for a client.

The PGT has been involved on behalf of clients in an increasing number of lawsuits relating to claims for damages for injuries suffered by clients in institutionalized settings. For example, the PGT has advanced individual claims for clients with respect to the Woodlands School and the Indian Residential Schools settlements.

The role to be played by the PGT in protecting the right to compensation for injuries such as sexual or physical abuse of children for whom the PGT is Guardian of Estate continues to be a pressing issue. As a result of improved reporting by MCFD, the PGT is reviewing and responding to a significantly increased number of reports of incidents involving children in continuing care, many of which give rise to potential claims for damages to be advanced on behalf of these children.

Increased due process and risk management requirements add pressure to PGT corporate legal services. The PGT is also experiencing growing legal demands in accountability related activities such as those involving the Information and Privacy Commissioner. While costs incurred with these new legal pressures are incurred in acting as a fiduciary for individual clients, they are primarily funded as an aspect of organizational capacity.

The changing circumstances of adult clients also impose legal related demands. For example,

increasing numbers of adult clients come to the PGT with more assets than was previously the case and more complex estates give rise to more complex client legal issues. Increased immigration levels have also added to legal complexity as client assets are commonly located in other jurisdictions.

#### d. Seniors

The rapid aging of the population as the baby boomer generation moves into retirement is having a significant impact in reshaping many aspects of society. PGT adult clients include a very significant proportion of seniors who require assistance in decision making, often because of diseases of aging such as dementia and Alzheimer's. The impact of this demographic shift is already beginning to be felt by the PGT.

The baby boomer generation has very different expectations of the manner in which it will be treated when receiving services and this has both resource and legislative implications. Also, the newer generation of seniors is more likely to have complex financial situations involving more assets and/or more debts and assets are more often documented in electronic format which requires special skills to identify.

New legislation proclaimed in 2011 has clarified and expanded the range of options for personal planning for incapability. The success of various public education initiatives aimed at encouraging individuals to make prior personal planning arrangements while still capable will have significant demand management implications for the PGT and to some extent for health care and other service providers.

#### e. Least Possible Interference

The rigid intrusive manner in which public services were generally provided in the past to minor children and incapable adults is no longer

acceptable in modern society. It is now recognized that such services should be as limited as is required for protection, sensitive to client wishes to the extent possible and delivered in a highly respectful manner. Services should also be highly individualized to meet client needs.

This approach to delivering public services is reflected in international agreements to which Canada is a signatory, for example, the UN Declaration on Rights of Disabled Persons and the UN Convention on Rights of Children. British Columbia legislation in this regard is currently very outdated and some statutes, such as the *Patients Property Act*, would be unlikely to survive legal challenge under the Canadian Charter of Rights and Freedoms.

Demands for more individualized service with greater emphasis on client wishes to do things, such as retain credit cards and keep valuables in their home, mean that client assets will be subjected to increased risk. Providing service in accordance with the new philosophy is more resource intensive because of the additional workload associated with monitoring.

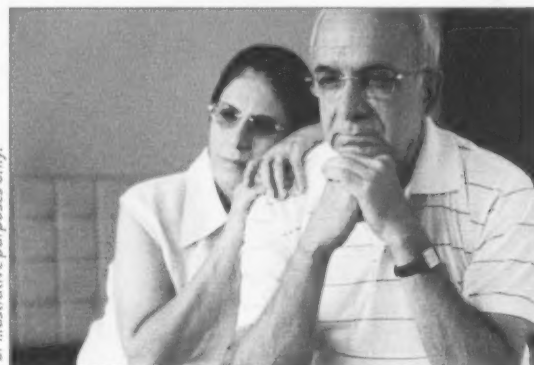
#### f. Changing Expectations

Expectations are rapidly evolving in all areas and clients, service partners and stakeholders are becoming very pressing in their demands for PGT response to their changing needs and expectations. Areas include regulatory requirements such as growing forms of accountability, the range of services provided and the manner in which they are provided, service levels and the requirement to work in a collaborative manner with more organizations, including increasing numbers of non government agencies with delegated statutory authorities. High levels of immigration have increased expectations that services will be provided in a culturally competent manner and

possibly in many languages. Staff also have different expectations of a work environment that will allow them to most effectively contribute their skills.

While the PGT is aware of this changing landscape and seeks to respond as fully as possible, limited resources require it to carefully prioritize its response to demands. For example, new PGT accountability and security requirements with respect to internal controls and hiring practices must be implemented first. Also, the PGT has a fiduciary duty to its clients and fulfilling its duty to clients must continue to be met ahead of other activity.

Technological solutions will help the PGT respond to many of the heightened demands and the PGT is moving forward to replace its legacy information technology systems and increase its capacity. Outdated legislation that is inconsistent with modern philosophical approaches to services for incapable adults and with international agreements also affects the PGT ability to respond to expectations that services will be less intrusive and more respectful of individuals. Heavy workloads are another significant constraint on the PGT ability to respond.



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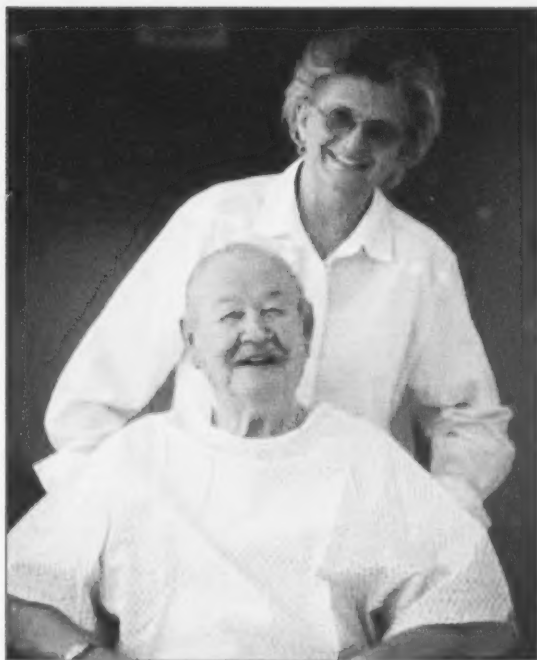
#### g. Responding to Unmet Needs

There are a wide range of groups of British Columbians who could benefit from PGT services and are continually pressing for access to these services which are currently unavailable. Vulnerable capable adults are a significant category of individuals who are on the cusp of being eligible to receive PGT services but are refused by policy and limited operational capacity. These individuals may still be legally capable but may perhaps be in the early stages of dementia. Adults who may be declined by policy even though they are legally incapable may include persons who have only limited assets such as disability pensions as the sole source of income. In these instances, the PGT can be of limited assistance and would be required to apply fees and commissions to its work with the individual.

Young people are another group of British Columbians with unmet needs. The PGT is currently Guardian of Estate for children in continuing care and its authority lapses when a child turns 19 years of age. These young people could often greatly benefit from assistance as they transition to adulthood. In particular, young people for whom the PGT acts as trustee would benefit from being provided with the opportunity to acquire financial literacy skills before they reach the age of majority when they are required to manage their financial affairs independently.

Another key category of young people whose needs are unmet is that of children receiving provincial services but who are receiving them through alternative forms of care rather than through a continuing custody order which would allow the PGT to protect their legal and financial interests. A large number of children in alternative forms of care do not currently have access to effective guardianship in this area and some provision is required.





The increasing devolution of government services to non public agencies with statutory authority also decreases PGT ability to respond to needs of other clients these agencies serve. The increasing number of partnerships imposes unfunded budget pressures on the PGT which is significantly self funded through fees and commissions. Most of these clients are in the PGT realm of "public services" and do not usually generate any revenue.

Increasing immigration levels, particularly involving senior family members, suggest that there are unmet needs in a range of cultural communities. Vulnerable individuals may be isolated and may lack language skills that would facilitate their ability to seek support and assistance. Also, many cultural communities view individual funds as family property which is in conflict with Canadian law.

## E. Context for 2010-2011 Performance Results

### 1. Introduction

This document reports on PGT performance in year one of the 2010-2013 Service Delivery Plan (SDP) which was approved by the Attorney General. While the 2010-2013 SDP was not formally approved by Treasury Board, the 2010-2011 budget was funded as set out in the plan. Goals, objectives and performance measures were implemented during 2010-2011 as presented in the SDP and are reported upon herein.

### 2. Development of PGT Goals, Objectives and Performance Measures

The PGT is a client centred organization that seeks to improve the lives of its clients by providing protective and fiduciary services to them. Clients experience rights, choices and security through protection of their legal, financial, personal and health care interests. PGT goals reflect specific areas in which the PGT can act to improve the quality of clients' lives.

The 2010-2013 SDP sets out the following five goals:

1. Property and financial interests of PGT clients will be well managed.
2. Personal interests of PGT clients will be protected.
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.
4. The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of clients.
5. The PGT will deliver high quality client centred services.

#### a. Goals

The PGT approach to developing its goals focuses on outcomes required to fulfill its mandate. These outcomes are the well being of PGT clients, prudent management of client affairs, operational efficiency and staff effectiveness. Each of these five goals is related to one or more of these outcomes.

Goals one, two and three deal directly with work that the PGT undertakes on behalf of clients. Goals four and five concern both clients and organizational effectiveness.

As a fiduciary, a significant proportion of PGT activity involves property and financial management. The 2010-2011 PGT Performance Measurement Framework linking the goals, objectives and measures (pages 34-35) demonstrates that goal one has the greatest number of associated objectives and touches almost every area of the organization and its activities.

#### b. Objectives

Objectives identified in the SDP serve several functions. They interpret and make visible the meanings of the goals as they relate to specific aspects of PGT work, identify key areas of performance and point to certain desired results in achieving the goals.

The performance measures reflect PGT best efforts to identify aspects of its performance that are most directly related to achieving stated goals while still capable of being measured and validated to an audit standard. Selecting objectives and performance measures is particularly challenging because in most instances the PGT contribution to client outcomes is contributory rather than causative.

### c. Performance Measures

The PGT selects goals, objectives, performance measures and targets in accordance with underlying assumptions from its corporate values. PGT clients are often particularly vulnerable and the PGT contributes to their well being through activities that are significant to clients, their family, friends, caregivers or heirs. Factors such as accessibility, timeliness, accuracy and empowerment are important to client well being. Other factors include the need for client, service partner, stakeholder and public confidence in PGT expertise.

Many targets are driven by external considerations such as meeting legal requirements, e.g., fiduciary obligations; benchmarking against private sector standards, e.g., investment returns; responding to safety issues, e.g., investigations in high risk situations; or may reflect a balance between demand for services and resources in an environment of significant self funding.

Due to the planning and reporting cycle, targets for year end of the first year of the plan reflect a PGT assessment of appropriate, attainable, service levels based on its best judgment at the time they were established 18 months previous in the service planning cycle. Targets are also set with a view to determining the acceptable level of performance in a specific period given resources and constraints. In addition, the PGT must be able to substantiate its reported performance results to an audit standard. Results are continually assessed to determine if measures should be continued, targets should be adjusted or if resources could be reassigned to other service areas.

The PGT is mindful of its statutory obligation to report on all program areas. This 2010-2011 performance report includes 23 performance measures up from 20 in 2009-2010. A measure



For illustrative purposes only.

related to implementing new legislation has been excluded from these counts as it could not proceed because the proclamation date was announced in February 2011. This measure will be included in 2011-2012.

The target was increased for one measure and the target for a second measure was changed to reflect a new phase of the activity. Three new measures were added related to new legislation and process. Changes in targets are described in the following reports on specific measures. The PGT seeks to meet its performance targets and monitors performance during the year. When targets are at risk, available resources are allocated in year to the program area.

The performance measures are set out in the 2010-2013 PGT Performance Measurement Framework on pages 34-35.

### 3. Role of the PGT Mission, Vision and Values

The PGT mission, vision and values are reflected in all aspects of its service delivery. They are expressed in the philosophy that PGT staff apply to their work such as ensuring that adult clients participate in decision making about their lives to the greatest extent possible. They are supported in formal policies and structure.

Much of the PGT mandate is to serve clients who do not have family or friends able to assist them or who are mandated by law as with children and estates of deceased persons. In other instances, PGT clients have made a decision to seek service from the PGT.

PGT activities have a cumulative and contributory impact on improving the quality of clients' lives according to the specific client group and nature of the activity. Children and youth benefit when the PGT acts to maximize their funds held in trust while still allowing appropriate disbursements. Minor guardianship clients benefit when the PGT initiates legal actions on their behalf when they have suffered harm or injury. Heirs and beneficiaries of estates of deceased persons that are administered by the PGT benefit when they receive funds and related assets after they have been located and properly identified.

Adult clients benefit when the PGT makes sustainable arrangements that respect client wishes to the extent possible while managing their financial affairs and acting to maximize resources available for their needs. Adult clients benefit from substitute health care decisions by receiving the treatment they would likely have chosen.

In addition to its direct impact on clients, the PGT contributes to the ability of the social services, health, legal and justice systems to meet their objectives by providing timely substitute decision

making, facilitating care, providing experienced objective legal reviews and taking protective measures on behalf of clients.

### Risk Management

The PGT acts in a broad range of fiduciary, statutory and court ordered roles and maintains an extensive internal control environment to respond to the associated legal, financial and other risks. The Enterprise Risk Management Framework developed in 2009-2010 was fully implemented in 2010-2011. This involved developing and implementing a process whereby the framework and risks would be kept current and identified risks would be mitigated.

Under the PGT Enterprise Risk Management Framework and approach, risks, potential impacts and mitigation strategies are reviewed periodically to help ensure that they remain current and relevant. The resulting impact categories are described in the following table.

Area of Activity	Impact on the PGT
Financial Stewardship	Stewardship of client and public assets
Client Stewardship	Stewardship of the health and well being of its clients
Financial Resources	Financial resources
Human Resources	Achievement of a high performance, safe work environment that results in satisfactory employee involvement, development and engagement
Operational Efficiency and Effectiveness	Ability to achieve operating efficiencies while maximizing client and stakeholder satisfaction
Reporting	Ability to provide reliable internal and external reporting (financial, performance and other reporting)
Regulatory/Legal	Ability to comply with relevant applicable laws and regulations
Strategic/Political/Reputation/Independence	Independence, reputation, stakeholder engagement and/or ability to act on current and/or future strategic directions

## Summary of Key Residual Risks

The following table summarizes the most significant residual risks faced by the PGT as identified through the risk identification and assessment process described above. This summary is based on PGT assessment of both the identified inherent risks and the effectiveness of the related controls and risk management activities. The table also outlines some of the major mitigation

strategies employed in relation to these risks. This table is a summary only of the residual risks assessed as being most significant. It does not detail all of the identified risks facing the PGT nor does it detail all of the controls and mitigation strategies that relate to each identified risk. Risks and causes remain very similar to those identified in 2009-2010.

Risks	Potential Causes	Examples of Key Mitigation Strategies
<b>Information Technology</b>  The PGT may not be able to meet its business needs due to inadequate and aging information technology infrastructure and systems.	<ul style="list-style-type: none"> <li>• Data integrity could be compromised.</li> <li>• The COMET financial system is a legacy system that is inadequate for modern trust accounting.</li> <li>• The CASE management system still has untapped potential and does not cover all program areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Funding is being sought to replace the COMET trust accounting system.</li> <li>• Continued enhancement of the CASE management system is underway.</li> <li>• Enhanced security and general controls for PGT information technology have been implemented.</li> </ul>
<b>Priority Setting and Capacity Planning</b>  The PGT may have inadequate organizational capacity to plan and/or implement priorities to which it has committed.	<ul style="list-style-type: none"> <li>• Workloads may be so high that staff are unable to adequately perform duties.</li> <li>• Regional offices are smaller and thus may be more acutely negatively impacted by increased service volumes and changes in business processes.</li> <li>• Implementation of new priorities may be hampered by inadequate information technology.</li> <li>• Timing of new priorities may add to complexity and workload pressures.</li> </ul>	<ul style="list-style-type: none"> <li>• Information technology solutions are being sought to support staff and facilitate transactions.</li> <li>• Divisional business planning is being enhanced to clarify key strategic objectives and prioritize tactical activities. Cascading work plans are being implemented through employee performance and development plans to maximize synergy.</li> <li>• A restructured field services unit has been implemented to enhance controls and efficiencies related to physical assets of clients.</li> </ul>
<b>Staffing</b>  The PGT may not have adequate numbers of staff and/or staff with adequate skills and/or experience.	<ul style="list-style-type: none"> <li>• Recruiting limitations (see Attraction and Recruitment of Skilled Employees listed below).</li> <li>• The number of employees in acting positions may hamper effective management and development.</li> <li>• High workload and cost constraints may limit staff ability to develop skills and receive training.</li> <li>• Succession planning at all levels may not be adequate to minimize disruption and loss of knowledge when experienced staff leave.</li> </ul>	<ul style="list-style-type: none"> <li>• PGT management has participated in leadership training and proposals for change are being implemented.</li> <li>• A Health and Wellness Committee is reviewing strategies to address absenteeism and support employee morale.</li> <li>• Core training programs are being considered for staff in key roles in the PGT.</li> <li>• Rewards and recognition strategies are being renewed to enhance staff engagement.</li> <li>• PGT staff have received training in ethics and standards of conduct.</li> </ul>



Risks	Potential Causes	Examples of Key Mitigation Strategies
<p><b>Externally Imposed Legislative and Policy Change</b></p> <p>The PGT may be significantly impacted by changes in these areas.</p>	<ul style="list-style-type: none"> <li>• New legislation and/or major changes to existing legislation may have a significant impact on PGT workload and resources.</li> <li>• Continued expenditure constraints in health, social and legal systems may increase demands on the PGT.</li> <li>• Many new service partners with statutory authority increases PGT partnership complexity and cost.</li> <li>• Treaty related devolution of duties of Aboriginal Affairs and Northern Development Canada without resource related transfers may add to PGT pressures.</li> </ul>	<ul style="list-style-type: none"> <li>• Resources are sought for new responsibilities.</li> <li>• PGT activities are reviewed to identify potential for reprioritizing resources to create capacity for new responsibilities.</li> <li>• Communication with service partners could be expanded as part of a growth management strategy.</li> </ul>
<p><b>Records Management</b></p> <p>The PGT may not have access to client information required to conduct its work and otherwise meet its obligations.</p>	<ul style="list-style-type: none"> <li>• Client data may be stored in many different formats.</li> <li>• Records may be inappropriately or prematurely destroyed because of ineffective document retention procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• The PGT is planning to secure a document management system in future as part of its information technology upgrading.</li> <li>• Disaster recovery procedures are regularly reviewed and enhanced as required.</li> </ul>
<p><b>Internal Reporting</b></p> <p>The PGT may have inadequate management information to satisfy internal needs.</p>	<ul style="list-style-type: none"> <li>• The PGT may have incomplete, inaccurate and/or untimely internal reporting of required financial, performance and other information.</li> <li>• Managers may have inadequate reporting available to them to ensure that timelines are being met and to monitor staff.</li> </ul>	<ul style="list-style-type: none"> <li>• The PGT clearly and consistently identifies key performance targets in its service delivery plan.</li> <li>• The PGT is seeking to replace its outdated COMET financial system.</li> <li>• Additional exception reports are being developed.</li> <li>• Future enhancements to the CASE system are being considered.</li> </ul>
<p><b>Funding</b></p> <p>The PGT may lack sufficient funding to perform its legislated duties.</p>	<ul style="list-style-type: none"> <li>• New legislation and/or policy changes may significantly increase PGT responsibilities without corresponding funding.</li> <li>• Market fluctuations may negatively impact commission based income.</li> <li>• Demand for services that are not subject to fees may increase significantly without a corresponding increase in authorized expenditure levels.</li> </ul>	<ul style="list-style-type: none"> <li>• All PGT revenues are now classified as cost recoveries to increase budget flexibility.</li> <li>• The PGT comments on proposed legislation including resource impacts.</li> <li>• The PGT will make budget submissions and may reprioritize existing activities as required.</li> </ul>



Risks	Potential Causes	Examples of Key Mitigation Strategies
<p><b>Attraction and Recruitment of Skilled Employees</b></p> <p>The PGT may be unable to attract and recruit adequately trained and experienced staff.</p>	<ul style="list-style-type: none"> <li>• Budget limitations and provincial government hiring practices may impact PGT ability to attract and recruit adequately trained employees in a timely manner.</li> <li>• Relatively small size of the PGT may limit opportunities for career development and thus impact perception of the PGT as a desirable employer.</li> <li>• Lack of professional development and competitive salaries.</li> </ul>	<ul style="list-style-type: none"> <li>• The PGT will develop internal staff, where possible, and provide learning opportunities for them as resources permit.</li> <li>• The PGT will continue to emphasize its organizational mission and key values when attracting staff.</li> <li>• The PGT has developed a video to welcome new staff and plans a recruitment video.</li> </ul>
<p><b>Demographic Risk</b></p> <p>The PGT may have inadequate resources to respond to needs associated with changing demographics.</p>	<ul style="list-style-type: none"> <li>• Growth of the seniors' population may result in dramatically increased numbers of persons with dementia with a corresponding demand for PGT services.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased cultural diversity will require public education to explain the PGT role and BC legal framework and PGT staff training in cultural competency.</li> <li>• The PGT will make budget submissions for resources required to meet unfunded new demands.</li> <li>• Many PGT information materials have been translated into key languages.</li> </ul>
<p><b>Liability</b></p> <p>The PGT could face liability because of failure to identify and protect the financial or legal interests of a client in a timely and proper manner.</p>	<ul style="list-style-type: none"> <li>• Proclamation of new legislation could occur without associated resources to implement.</li> <li>• High workload increases potential for errors and oversights.</li> <li>• Information systems may offer inadequate support.</li> <li>• Policies and procedures may not be adequately documented, communicated or monitored for compliance.</li> <li>• Staff may be inadequately trained.</li> </ul>	<ul style="list-style-type: none"> <li>• New exception reports are being developed to support management of client matters.</li> <li>• System enforced controls to limit entry and transaction errors are being added to information systems.</li> <li>• PGT policies and procedures are being updated and communicated.</li> <li>• Timeliness standards have been established for many services.</li> <li>• The PGT may provide enhanced training programs to further mitigate risk.</li> <li>• A Business Continuity Plan has been developed and is being maintained for the PGT.</li> </ul>

## F. 2010-2011 Performance Results

In 2010-2011, the PGT met or exceeded its target for 23 of its performance measures (100%). Another measure had been planned but was not implemented as it had been dependent on proclamation of legislation. Comments related to data and use of comparative information are discussed below. Specific performance details related to each measure are provided in the following performance details section. The summary service delivery plan with goals, objectives, performance measures and targets appears on pages 34-35.

### Source Data

Data for this performance report has been drawn primarily from internal information management systems. The primary systems are COMET (financial) and CASE (case management). Financial statistics are derived largely from the audited financial statements and are rounded.

During 2010-2011, the PGT maintained clear documentation of the process of collecting and reporting on data supporting its performance results. This has contributed to ensuring consistency and reliability in reported results.

Ten of the measures are derived from information extracted from CASE. The PGT remains committed to further enhancing its reports to draw data directly from its primary information systems where possible. Development of these direct reports began in 2009-2010 and is planned to be completed by March 31, 2012.

Unless otherwise specified, client count reports reflect varying program workloads as measured by the number of individual clients served throughout the fiscal year. In some instances, the data counts will reflect the number of individual clients served and in others, the counts will reflect

the number of specific legal authorities under which clients were served, with consideration for the fact that one client may be served under multiple authorities. Unless otherwise stated, results for specific performance measures are comparable with previous years. In reporting on performance results, the PGT usually rounds to the nearest whole number.

The PGT continues to review its performance on a quarterly basis both to manage performance and also to identify concerns with data collection and reliability. Where available, the PGT uses spot checking, cross referencing data sources and checking new reports against prior versions for consistency and to test reliability of results.



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In accordance with the *Public Guardian and Trustee Act*, the PGT annual performance report is subject to an independent audit to provide third party assurance on the reported results. Financial statements for the PGT Operating Account and Estates and Trusts Administered are also subject to an annual independent audit to provide third party assurance.

### Comparative Information

The PGT is a unique organization largely without private sector comparators and with limited comparability to public bodies in BC and other jurisdictions. Because of its responsibilities, mix of services and unique legal status, PGT access to generally accepted service standards is limited. Public Guardian and Public Trustee agencies in other provinces and territories each have some responsibilities or services or elements of them in common with the PGT but none have the exact same authorities.

For 2010-2011, the PGT is able to make comparisons from its own past performance using information reported in its previous Annual Reports. While some measures have been changed, eliminated or been newly introduced over time, the available comparative data has become more substantial each year and has been used in several instances for changing measures and/or modifying performance targets.

## Performance Measurement Framework 2010-2011

Goals	Objectives	Performance Measures
1. Property and financial interests of PGT clients will be well managed.	1.1 Disbursements from children's trusts will be made in a timely manner.	1.1.1 Percentage of disbursements from children's trusts completed within 15 calendar days of request by the guardian or client
	1.2 Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.	1.2.1 Percentage of critical incident reports in respect of children in continuing care reviewed and action initiated by the PGT within 60 calendar days of receipt 1.2.2 Percentage of personalized case plans (covering property, effects, legal issues and living arrangements) that will be developed and implemented for new adult clients within six months of PGT appointment as Committee of Estate
	1.3 Assets of client estates will be identified, secured and administered in a timely manner.	1.3.1 Percentage of adult client trust receipts processed within five business days 1.3.2 Percentage of adult client disbursements processed within 15 business days 1.3.3 Physical assets of new deceased estates secured within 15 calendar days of notification of death
	1.4 Implement enhanced risk management processes.	1.4.1 Establish Enterprise Risk Management (ERM) Framework 1.4.2 Secure and manage new and ongoing client assets prudently
	1.5 Estate distributions will be made to heirs and beneficiaries.	1.5.1 Percentage of deceased estate funds distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society
	1.6 Client investments will be handled prudently.	1.6.1 Investment returns for all three pooled funds match or exceed established benchmarks 1.6.2 Percentage of investment plans subject to review completed within the next year
2. Personal interests of PGT clients will be protected.	2.1 The personal needs of child and youth clients will be protected.	2.1.1 For children and youth with assets in excess of \$50,000 where ongoing assistance with day to day maintenance has been approved, personalized expenditure plans will be developed and implemented within 20 calendar days of receiving all decision making information and then annually reviewed
	2.2 The personal interests and health care needs of adult clients will be addressed.	2.2.1 Percentage of Committee of Person adult clients who are annually visited by PGT staff 2.2.2 Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received

Goals	Objectives	Performance Measures
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.	3.1 Settlement reviews of legal claims of children and youth will be carried out in a timely manner.	<p>3.1.1 Percentage of proposed minors' settlements \$5,000 and over that are reviewed and parties advised of the PGT position within 60 calendar days once all relevant information has been received</p> <p>3.1.2 For minors' settlements under \$5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received</p>
	3.2 The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.	<p>3.2.1 Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken within one business day under section 19 of the <i>Public Guardian and Trustee Act</i></p> <p>3.2.2 Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT decision</p>
4. The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of clients.	4.1 The PGT will make relevant, useful and affordable recommendations to government for law reform affecting clients.	4.1.1 Implement PGT statutory responsibilities under the <i>Wills, Estates and Succession Act, 2009</i>
	4.2 The PGT will promote an understanding of its role among clients, service partners, stakeholders and the public.	4.2.1 PGT role explained by PGT representatives at stakeholder and service partner conferences, events and other public education forums
5. The PGT will deliver high quality client centred services.	5.1 The PGT will meet client expectations for quality, equitable and accessible services.	<p>5.1.1 Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good</p> <p>5.1.2 Percentage of stakeholders reporting satisfaction with PGT legal services (stakeholder group varies annually)</p>
	5.2 Mission critical information technology systems and processes will support PGT business activities.	5.2.1 Develop client financial management information system in phases

## Performance Details

### GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.



#### OBJECTIVE 1.1 Disbursements from children's trusts will be made in a timely manner.

##### 1.1.1 Percentage of disbursements from children's trusts completed within 15 calendar days of request by the guardian or client

Administering trusts where a child or youth is the beneficiary is a major responsibility of PGT Child and Youth Services. Unlike a bank account, funds held in trust are subject to a number of restrictions designed to protect the client. Guardianship and Trust Officers consider client requests to spend from the individual's trust fund and must determine whether the request falls in or outside the trust restrictions while still providing a timely response. This activity benefits children and youth by allowing appropriate disbursements in a timely manner while applying necessary constraints to satisfy fiduciary duties to be prudent and to maximize funds for their future.

It is reasonable in most cases to expect a request to be decided within 15 calendar days. In 2010-2011, out of 3,227 decisions to issue funds, 3,073 (95%) were completed and a cheque was issued within 15 calendar days of a request by the guardian or client.



#### OBJECTIVE 1.2 Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.

##### 1.2.1 Percentage of critical incident reports in respect of children in continuing care reviewed and action initiated by PGT within 60 calendar days of receipt

The PGT is coguardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies (DAAs) for children in continuing care of the province. Designated officials of MCFD and the DAAs are Guardians of Person for children in continuing care and the PGT is Guardian of Estate. As Guardian of Estate, the PGT identifies outstanding financial entitlements or legal claims and brings forward appropriate legal action on behalf of the children. This includes legal claims for damages such as personal injury arising from abuse, assault or motor vehicle accidents as well as for statutory benefits such as from the death of a parent.

The PGT receives automated reporting from MCFD and the DAAs of incidents involving children in continuing care and must review these reports to determine whether to commence civil legal proceedings on behalf of the child.

This activity improves the well being of children and youth in continuing care of the province by protecting their legal rights and financial interests. It also satisfies PGT legal obligations as fiduciary. In 2010-2011, of 516 critical incident reports received, 512 (99%) were reviewed and action was initiated by the PGT within 60 calendar days of receipt of the report.



## GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.



**OBJECTIVE 1.2** Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.

### 1.2.2 Percentage of personalized care plans (covering property, effects, legal issues and living arrangements) that will be developed and implemented for new adult clients within six months of PGT appointment as Committee of Estate

The PGT may become Committee of Estate (COE) under the *Patients Property Act* for adults who are unable to manage their financial and legal affairs. Completion of a personalized case plan for a new COE client demonstrates that the PGT has taken the steps necessary to identify and secure the client's property and financial interests and provides for their ongoing protection. Time taken to develop and implement the plan will vary according to complexity of the client's property and financial interests. For this measure, appointment as COE means the date on which the PGT is informed of the appointment.

This activity improves quality of life for incapable adults by making arrangements that respect client wishes to the extent possible and by developing plans to maximize resources available for their care. For most new COE clients, 6 months is a reasonable expectation in which to complete the plan as several months are normally required to collect all relevant information about the client.

During 2010-2011, 452 new clients required these plans and the PGT developed personalized case plans for 396 (88%) of them within the 6 month time frame. The performance target for this measure has been increased since the previous year.



**OBJECTIVE 1.3** Assets of client estates will be identified, secured and administered in a timely manner.

### 1.3.1 Percentage of adult client trust receipts processed within 5 business days

The efficient management of client financial affairs is of paramount importance to the PGT. This includes the timely processing of income and receipts. By promptly depositing income and other funds into an adult client's trust fund, flexibility in managing a client's affairs increases as does the client's potential to earn investment income. This activity improves quality of life for incapable adults by maximizing resources available for their care.

This performance measure tracks trust receipts received by PGT adult clients. In 2010-2011, of the 26,895 receipts of income or capital, 24,183 (90%) were processed within the 5 day timeline.

## GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.



OBJECTIVE 1.3 Assets of client estates will be identified, secured and administered in a timely manner.

### 1.3.2 Percentage of adult client disbursements processed within 15 business days

Ensuring that amounts owed by PGT clients are paid in a timely manner is an important aspect of managing an adult client's affairs. This activity improves quality of life for incapable adults by ensuring timely bill payments on their behalf.

In 2010-2011, of 162,973 adult client disbursements, 159,012 (98%) were processed within 15 business days.



OBJECTIVE 1.3 Assets of client estates will be identified, secured and administered in a timely manner.

### 1.3.3 Physical assets of new deceased estates secured within 15 calendar days of notification of death

Securing the physical assets of a deceased person's estate is a critical step in reducing risk of damage and preventing loss to the value of an estate. The result for creditors and beneficiaries of the estate improves according to the speed with which physical assets are secured. This activity secures assets and maximizes funds available to estates of deceased persons.

In 2010-2011, the PGT was notified of 71 new deceased estates that required this service. Of these, the physical assets for 64 (90%) were secured within 15 calendar days.

## GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.

TARGET 11/12 = Respond to two risk categories by March 31, 2012

TARGET 10/11 = Framework established and operational by March 31, 2011

ACHIEVED = Framework established and operational by March 31, 2011

TARGET 09/10 = NA

TARGET 08/09 = NA

TARGET ACHIEVED



TARGET 11/12 = An appropriate Field Services performance measure will be developed

TARGET 10/11 = A full business process review of Field Services completed with resulting changes in practices implemented by March 31, 2011

ACHIEVED = Review completed with resulting changes in practices implemented by March 31, 2011

TARGET 09/10 = NA

TARGET 08/09 = NA

TARGET ACHIEVED



### OBJECTIVE 1.4 Implement enhanced risk management processes.

#### 1.4.1 Establish Enterprise Risk Management (ERM) Framework

The PGT operates under an Enterprise Risk Management (ERM) framework which was developed in 2009-2010. During 2010-2011, the framework was put into effect. Processes were established that created annual requirements for responding to identified categories of risks and timelines for ongoing review to maintain the framework as current.

### OBJECTIVE 1.4 Implement enhanced risk management processes.

#### 1.4.2 Secure and manage new and ongoing client assets prudently

PGT Field Services incorporates investigations of client physical assets, taking custody of them and providing for their security. In 2010-2011, the PGT restructured these services to maximize efficiency and to strengthen internal controls over the process and the assets. A full business process review of the area was completed and the resulting changes in practice were implemented by March 31, 2011. This included development of a new information system to facilitate service delivery.

## GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.



### OBJECTIVE 1.5 Estate distributions will be made to heirs and beneficiaries.

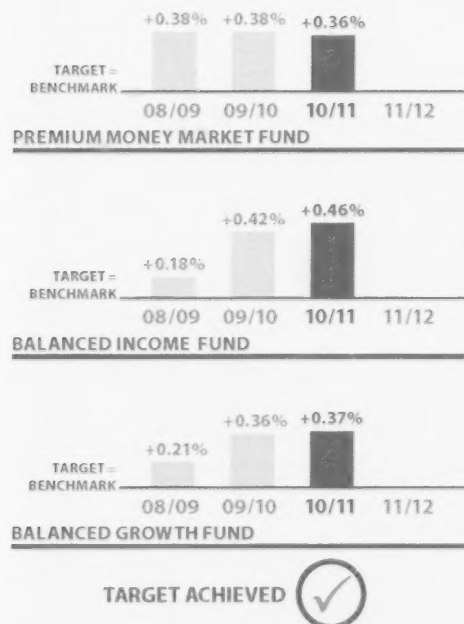
#### 1.5.1 Percentage of deceased estate funds distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society

As Official Administrator, the PGT administers estates of deceased persons where no one is willing or able to administer them or when the heirs or beneficiaries are unknown.

If the PGT is unable to determine the lawful heirs of an estate after conducting a search, the balance of the estate after payment to creditors, administrator fees and expenses is transferred to the BC Unclaimed Property Society.

This activity protects heirs and beneficiaries by ensuring that efforts are made to locate them and distribute their entitlements to them.

In 2010-2011, PGT Estate and Personal Trust Services distributed \$28,056,763.64 of which \$26,823,102.61 (96%) was transferred to the heirs and beneficiaries. This is an increase of over \$3 million in the amount distributed to heirs and beneficiaries over the previous year.



### OBJECTIVE 1.6 Client investments will be handled prudently.

#### 1.6.1 Investment returns for all three pooled funds match or exceed established benchmarks

PGT client funds are invested to maximize returns in a manner appropriate to individual client circumstances. This measure is a means of comparing performance by investment managers retained by the PGT against established industry benchmarks. The PGT has three pooled common funds: the Premium Money Market Fund; the Balanced Income Fund; and the Balanced Growth Fund. The majority of client funds are held in the Premium Money Market Fund.

Investment returns are calculated using the investment industry standard of four year rolling averages with information on returns provided by third party professional measurement services. RBC Dexia Investment Analytics measures the Balanced Income and the Balanced Growth Funds and the BC Investment Management Corporation measures the Premium Money Market Fund.

This activity improves quality of life for clients by prudently managing their financial resources with quality investment management to ensure their resources are maximized to meet their needs. In 2010-2011, investment returns for all three pooled funds exceeded the established benchmarks. Details are recorded in the accompanying table.

## GOAL 1: PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED.



### OBJECTIVE 1.6 Client investments will be handled prudently.

#### 1.6.2 Percentage of investment plans subject to review completed within the next year

Individual client circumstances, such as increased or decreased needs for cash funds, are considered when developing and reviewing investment plans. Reviewing existing client investment plans is important because client needs and risk tolerance change over time. Frequency of reviews is also related to the asset mix in the client investment plan. The PGT reviews client investment plans on a rotating basis according to the assessed level of risk associated with the client investment portfolio.

This activity improves quality of life for clients by ensuring that financial planning remains up to date to maximize resources available for their needs. At March 31, 2010, 1,044 client investment plans were scheduled for review during 2010-2011 and 226 clients left PGT authority during the year. Of the remaining 877 clients, 873 (99%) of the scheduled account reviews were completed.

## GOAL 2: PERSONAL INTERESTS OF PGT CLIENTS WILL BE PROTECTED.



### OBJECTIVE 2.1 The personal needs of child and youth clients will be protected.

#### 2.1.1 For children and youth with assets in excess of \$50,000 where ongoing assistance with day to day maintenance has been approved, personalized expenditure plans will be developed and implemented within 20 calendar days of receiving all decision making information and then annually reviewed

The PGT implements and maintains personalized case plans on behalf of child and youth clients who have assets of \$50,000 or more where ongoing assistance with day to day maintenance has been approved. Maintenance includes a broad range of payments to the caregiver for day to day costs of the child's needs.

This measure focuses on child and youth clients with significant liquid assets who receive enhanced trust services. This activity improves the quality of life for minors by providing timely decisions regarding sustainable management of their resources to meet current and future needs.

In 2010-2011, personalized case plans were developed and implemented or reviewed within the target timelines for 90 of 92 (98%) minor clients who had been awarded \$50,000 or more for ongoing maintenance. The annual reviews are conducted within 425 days of the previous review to allow minor flexibility in order to accommodate client needs.



## GOAL 2: PERSONAL INTERESTS OF PGT CLIENTS WILL BE PROTECTED.



**OBJECTIVE 2.2** The personal interests and health care needs of adult clients will be addressed.

### 2.2.1 Percentage of Committee of Person adult clients who are annually visited by PGT staff

There are a small number of adult clients for whom the PGT acts as a court appointed Committee of Person and is responsible for their personal care interests. The PGT attempts to visit each of these clients at least once every year. For the PGT, the visit is an opportunity to review the client's personal situation and assess whether changes are required to ensure protection of their ongoing personal and health care interests. For the adult, the visit is an opportunity to convey information directly to the PGT without an intermediary such as the caregiver or the care facility administrator.

This performance measure focuses on clients for whom the PGT has the greatest responsibility. Client visits improve quality of life for clients through direct contact with PGT staff and provide for their maximum empowerment.

In 2010-2011, visits were made to 113 of 114 (99%) adult clients for whom the PGT acts as Committee of Person.



**OBJECTIVE 2.2** The personal interests and health care needs of adult clients will be addressed.

### 2.2.2 Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received

The PGT protects the personal interests of adults incapable of making health care consent decisions by making these decisions on their behalf as Temporary Substitute Decision Maker (TSDM) under the *Health Care (Consent) and Care Facility (Admission) Act*.

The timeliness of PGT substitute health decisions as TSDM on behalf of incapable adults is important to the well being and rights protection of the individual for whom treatment has been proposed by a health care provider.

Timeliness of decision making is important because it facilitates clients receiving health care in a timely manner if that treatment is consented to by the TSDM. In 2010-2011, of 129 major health care decisions, all 129 (100%) were made within the three day time frame.

**GOAL 3: STATUTORY PROTECTIVE AND MONITORING SERVICES WILL BE DELIVERED IN AN APPROPRIATE, TIMELY AND FAIR MANNER.**



**OBJECTIVE 3.1 Settlement reviews of legal claims of children and youth will be carried out in a timely manner.**

**3.1.1 Percentage of proposed minors' settlements \$5,000 and over that are reviewed and the parties advised of the PGT position within 60 calendar days once all relevant information has been received**

Under the *Infants Act*, the PGT must review all proposals to settle a claim on behalf of a minor for unliquidated damages such as wrongful death of a parent, personal injury arising from motor vehicle accidents, medical malpractice and other claims. The PGT has jurisdiction independently to approve infant settlements of \$50,000 or less (exclusive of interest and costs) outside the court process and provides written comments to the court for amounts greater than \$50,000 or where the PGT is acting as Litigation Guardian for the child.

This statutory service protects minor's property rights in obtaining fair and reasonable compensation from negligent parties or their insurers. It also contributes to increasing the efficiency of the court system by providing experienced, objective reviews in a timely manner. The Supreme Court of BC recognizes 60 calendar days for completing the reviews as a reasonable length of time in which to provide an appropriate level of scrutiny. Within this timeframe, the PGT works as quickly as possible as PGT review is usually the final step in what may already have been a very long process for the child and parent or guardian.

In 2010-2011, in 430 of 438 cases (98%), the PGT reviewed the proposed settlements and advised the parties of the PGT position within 60 calendar days of all relevant information being received.



**OBJECTIVE 3.1 Settlement reviews of legal claims of children and youth will be carried out in a timely manner.**

**3.1.2 For minors' settlements under \$5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received**

This measure is related to the previous measure (3.1.1) and focuses on proposed settlements of minors claims under \$5,000 for unliquidated damages. Under the *Infants Act*, the PGT must review all proposals to settle a claim by a minor for unliquidated damages. The PGT has jurisdiction independently to approve infant settlements of \$50,000 or less (exclusive of interests and costs). Parties may appeal the PGT decision to the Supreme Court of BC, in which case, the PGT would provide comments to the court as it does for settlements over \$50,000.

These smaller settlements are reported separately because they are usually less complex than larger settlements and it is possible for the PGT to review these proposals more expeditiously. This increases efficiency of the review process and helps the parties to achieve closure.

In 2010-2011, the PGT reviewed and concluded 216 proposed settlements under \$5,000 in an average of 13 elapsed days per settlement.

### GOAL 3: STATUTORY PROTECTIVE AND MONITORING SERVICES WILL BE DELIVERED IN AN APPROPRIATE, TIMELY AND FAIR MANNER.



#### OBJECTIVE 3.2 The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.

##### 3.2.1 Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken within one business day under section 19 of the *Public Guardian and Trustee Act*

The PGT is mandated under the *Public Guardian and Trustee Act* to protect incapable adults at risk for abuse, neglect and self neglect. One way it does this is to safeguard their assets so that persons seeking to take financial advantage of them will be unable to do so. Under section 19, the PGT orders financial interventions to freeze the assets of an individual while the PGT investigates the situation.

The speed of PGT action can be a major determinant of whether client assets are protected. Taking protective measures in a timely manner increases safety for abused, neglected and self neglecting incapable adults. In 2010-2011, the PGT took protective measures in 231 cases. In 230 (99%) of these, protective measures were taken within one working day.



#### OBJECTIVE 3.2 The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect.

##### 3.2.2 Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT decision

The PGT is responsible under the *Patients Property Act* for passing the accounts submitted by Private Committees appointed by the Supreme Court of BC to be responsible for adults who are not capable of managing their own affairs. Passing the accounts of Private Committees provides information on the financial decisions they have made on behalf of their clients. This measure reports on the timeliness of PGT reviews.

Reviewing the accounts of Private Committees in a timely manner is important in ensuring that financial affairs of the adult are managed by Private Committees in a fiduciary manner and in allowing Private Committees to take fees to which they are entitled. High risk accounts are reviewed within 60 days.

Accounts that are not ready for review, such as those that are incomplete or require special investigation are not included in this measure. At March 31, 2011, the average age of the remaining Private Committee accounts was 6 months.

## GOAL 4: THE PGT WILL CONTRIBUTE TO PUBLIC AWARENESS, POLICY DEVELOPMENT AND LAW REFORM INITIATIVES TO PROMOTE THE INTERESTS OF CLIENTS.

TARGET 11/12 = Implement new and revised PGT roles (subject to coming into force of new law)

TARGET 10/11 = Develop implementation plan by March 31, 2011

ACHIEVED = Implementation plan developed

TARGET 09/10 = NA

TARGET 08/09 = NA

TARGET ACHIEVED



**OBJECTIVE 4.1** The PGT will make relevant, useful and affordable recommendations to government for law reform affecting clients.

### 4.1.1 Implement PGT statutory responsibilities under the *Wills, Estates and Succession Act, 2009*

The *Wills, Estates and Succession Act* was passed in 2009 and proclamation was anticipated within the coming year. This legislation will significantly change the manner in which all activities related to succession happen in British Columbia. The PGT has significant responsibilities in this area as Official Administrator.

During 2010–2011, the PGT developed an implementation plan to prepare itself to act when proclamation is announced. This performance measure is new in 2010–2011.

**OBJECTIVE 4.2** The PGT will promote an understanding of its role among clients, service partners, stakeholders and the public.

### 4.2.1 PGT role explained by PGT representatives at stakeholder and service partner conferences, events and other public education forums

There is continuing high demand from the public, service partners and stakeholders for the PGT to make presentations about the PGT and its areas of responsibility. Service partners also request presentations that will enable them to understand related roles and responsibilities. The PGT will be involved in implementing a range of new legislation over the next few years and the requirement for public awareness activities will be great. The PGT continually strives to meet the demand for public education activities which must be balanced against other service requirements.

Better understanding of the PGT role promotes appropriate uptake of PGT services and is an important element in a PGT demand management strategy. The report of the Premier's Council on Aging and Seniors Issues highlighted the importance of public education on issues affecting seniors. *The BC Child and Youth Review* recommended that the PGT participate with service partners in public education activities affecting children in care.

In 2010–2011, the PGT made public presentations at 92 meetings, conferences or other events.

## GOAL 5: THE PGT WILL DELIVER HIGH QUALITY CLIENT CENTRED SERVICES.



OBJECTIVE 5.1 The PGT will meet client expectations for quality, equitable and accessible services.

### 5.1.1 Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good

The PGT administers estates of deceased persons. The Estate and Personal Trust Services division conducts a client satisfaction survey with heirs and beneficiaries who receive funds when administration of an estate is completed. This activity measures client satisfaction and gives heirs and beneficiaries the opportunity to comment on what is important to them regarding services. This activity also improves service delivery by highlighting areas needing improvement.

In 2010-2011, there were 259 completed surveys. Of these 242 (93%) beneficiaries who responded to the survey question rating estate administration services rated them as good or very good.



OBJECTIVE 5.1 The PGT will meet client expectations for quality, equitable and accessible services.

### 5.1.2 Percentage of stakeholders reporting satisfaction with PGT legal services (stakeholder group varies annually)

Legal services are a major component of PGT services as the obligation of acting as fiduciary requires us to protect the legal and financial interests of clients.

The PGT reviews applications for appointment of a Private Committee. In 2010-2011, the PGT reviewed the satisfaction levels of lawyers who filed an application resulting in the appointment of a Private Committee.

In 2010-2011, 43 lawyers responded to the survey, of which 42 (98%) rated the legal services as satisfactory or very satisfactory.



## GOAL 5: THE PGT WILL DELIVER HIGH QUALITY CLIENT CENTRED SERVICES.

TARGET 11/12 = Purchase and implement new trust accounting system (subject to funding)

TARGET 10/11 = Survey market for new trust accounting system

ACHIEVED = Request for Information posted to BC Bid and responses evaluated

TARGET 09/10 = Business case prepared for replacement of trust accounting system

ACHIEVED = Yes

TARGET 08/09 = Phase 2 Case management business process improvements completed by March 31, 2009

ACHIEVED = Yes

TARGET ACHIEVED



OBJECTIVE 5.2 Mission critical information technology systems and processes will support PGT business activities.

### 5.2.1 Develop client financial management information system in phases

The PGT has been taking steps to enhance data integrity by upgrading its outdated legacy technology applications. This performance measure relates to the PGT financial systems.

PGT attention is now focused on replacement of COMET, the PGT trust accounting system. In 2010-2011, the PGT surveyed the market to identify a new trust accounting system to replace the COMET system and is now seeking implementation funding.

## G. Linking Resources to Performance

### Linking Resources, Strategies and Results

#### Background

The PGT is responsible by law for delivering a broad range of services to clients and is self funded for a large proportion of its expenditure budget. In developing its annual budget, the PGT provides for meeting its statutory and fiduciary obligations to its clients. The PGT establishes strategic goals and determines performance measures and targets within the budgeted resources and constraints of a given year in the context of its three year plan.

The PGT delivers client services through a combination of activities that are specific to an operational division, integrated, cross divisional or are delivered in conjunction with service partners:

- *Operational divisions* focus on broad client groups such as children and youth, adults and estates of deceased persons and personal trusts. Costs are assigned directly to the divisions.
- Activities of operational divisions are supported by *integrated services* such as legal, investments, information systems, securing of client assets, warehousing, budgeting, facilities and executive support services. Costs for these integrated services are assigned across the organization using an allocation model developed to reflect approximate usage.
- Some services such as quality assurance and risk management are delivered in a *cross divisional* manner. Costs of cross divisional services are assigned directly through operational division budgets and indirectly through costs assigned through the allocation model.

- Services such as client real property management are *delivered in conjunction with service partners* and are charged directly to clients.

See pages 53 and 54 for the Allocation of Revenues and Expenses by Program – Budgeted and Actual [unaudited] for the year ended March 31, 2011.

Delivery of services and allocation of costs are reflected in Table 1: Areas of Expenditures and PGT Strategic Goals (unaudited) on page 49, describing which PGT goals apply to which area of expenditure. The table provides a context to put PGT areas of expenditure into perspective. The distribution also reflects the integrated and cross divisional nature of PGT operations.

#### Linkages

Client services fall into one of two categories of expenditures:

- *Estate and Trust Services* are those where the greatest impact from the service is on the management of individual client assets and this is reflected in the total or high level of cost recovery.
- *Public services* are those where the greatest impact from the service is in monitoring or oversight and the limited or nil cost recovery reflects the public nature of these services.

Table 1 [unaudited] demonstrates that most PGT goals apply broadly to most areas of expenditure and may involve both a number of programs and expenditures and a number of divisions.

#### Challenges

The challenge of segmenting expenditures is greatest at the broad goal level. It is a lesser challenge in the case of specific performance measures within each goal as these are more likely to apply to a single area of expenditure. However, the PGT considers that elaboration of budget particulars at the individual measure level is not possible as the work is too interrelated and spread throughout PGT activities.

For example, integrating a new adult client requires more than preparation of a new case plan. Assets must be secured, legal interests must be considered, real property may have to be sold, an investment plan may have to be developed and overdue taxes may have to be made current. These complex linkages mean that although the areas of expenditure are linked with groups of strategic goals, the relationship between performance and outcomes and changes in costs may not be direct or immediate.

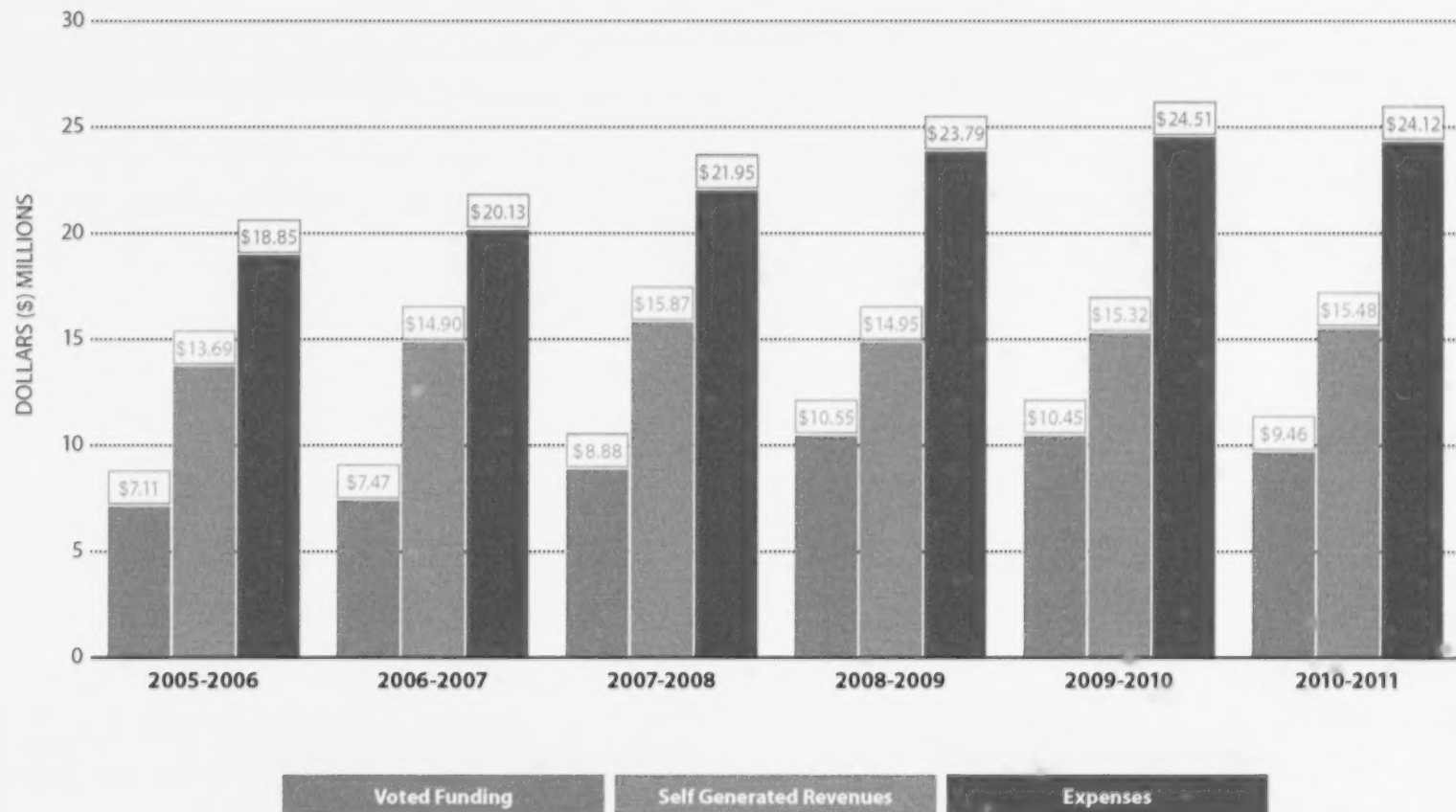
Table 1. Areas of Expenditure and PGT Strategic Goals [unaudited]

Area of Expenditure*	Strategic Goals Most Directly Affected**	Context
<b>Estate and Trust Services</b>		
<p>Estate and trust services are the primary PGT responsibility and accounted for \$15.5M or 64% of total costs in 2010-2011 and produced \$14.1M or 91% of self generated revenue. Estate and trust services include the following:</p> <ul style="list-style-type: none"> <li>• Child and Youth Services – Trustee</li> <li>• Services to Adults – Client Services</li> <li>• Estate and Personal Trust Services</li> </ul>	<p>Goal #1 Property and financial interests of PGT clients will be well managed.</p> <p>Goal #2 Personal interests of PGT clients will be protected.</p> <p>Goal #4 The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of clients.</p> <p>Goal #5 The PGT will deliver high quality client centred services.</p>	<ul style="list-style-type: none"> <li>• PGT Estate and Personal Trust Services division achieved cost recovery. The rate of recovery was 103% in 2010-2011 (111% in 2009-2010).</li> <li>• The PGT acts as a prudent investor in managing client funds with all client invested funds. These investment activities support Goal #1 by managing client property and financial interests. At March 31, 2011, the average cost per client for staff pay and benefits within the PGT Investment Services section was \$23.46 (\$22.07 at March 31, 2010).</li> </ul>
<b>Public Services</b>		
<p>Public services accounted for \$8.6M or 36% of total costs in 2010-2011 and produced \$1.4M or 9% of self generated revenue. Public services include the following which are identified by expenses and also by self generated revenues (in brackets):</p> <p><b>Child and Youth Services</b></p> <ul style="list-style-type: none"> <li>• Guardian of Estate \$3.11M (\$0.16M)</li> <li>• Infant Settlement Reviews \$1.41M (\$0.44M)</li> <li>• Notices Reviews \$0.56M (\$0.31M)</li> <li>• Other Miscellaneous \$0.11M (\$0.00M)</li> </ul> <p><b>Services to Adults</b></p> <ul style="list-style-type: none"> <li>• Assessment and Investigation \$0.85M (\$0.00M)</li> <li>• Health Care Decisions \$0.72M (\$0.00M)</li> <li>• Private Committee Services Reviews \$1.67M (\$0.47M)</li> <li>• Notices \$0.05M (\$0.00M)</li> <li>• Community Development \$0.05M (\$0.00M)</li> </ul> <p><b>Estate and Trust Personal Services</b></p> <ul style="list-style-type: none"> <li>• Public Inquiry \$0.09M (\$0.00M)</li> </ul>	<p>Goal #1 Property and financial interests of PGT clients will be well managed.</p> <p>Goal #2 Personal interests of PGT clients will be protected.</p> <p>Goal #3 Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.</p> <p>Goal #4 The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of clients.</p> <p>Goal #5 The PGT will deliver high quality client centred services.</p>	<ul style="list-style-type: none"> <li>• Under the <i>Health Care (Consent) and Care Facility (Admission) Act</i>, PGT staff make substitute health care treatment decisions or appoint other suitable decision makers. This health care decision making activity supports Goal #2 by protecting personal interests of PGT clients. In 2010-2011, average unit cost was \$1,277 (\$1,231 in 2009-2010).</li> <li>• The <i>Estate Administration Act</i> (section 112) requires that the PGT be notified before application can be made to settle an estate involving interests of a child. These section 112 reviews support Goal #3 by delivering statutory protective services in a timely manner. In 2010-2011, cost per review was \$681 (\$504 in 2009-2010). The <i>PGT Fees Regulation</i> allows a fee of \$300 per notice for a review.</li> </ul>

\* All PGT expenditures are allocated into one of two categories according to the nature of the work, i.e., estate and trust services or public services.

\*\* Goals may apply in both categories. Individual performance measures within a goal may relate more specifically to one area of expenditure or another.

**Table 2. PGT Voted funding; Revenues and Expenses, 2005/2006 - 2010/2011**



## 2. Revenue and Program Costs 2010-2011

### Introduction

The PGT cost allocation model was developed to show revenues and costs in a meaningful way by linking resources to the costs of service provision.

The model continues to evolve in response to the changing environment in which the PGT operates and as technological improvements allow more sophistication in aligning resources and costs.

### Revenue Sources and Variances

#### i) Revenue Sources

Revenue is comprised of commissions, fees and recoveries of expenditures charged to PGT estate and trust clients for services rendered, monitoring fees charged to other clients and funding received from the Province of British Columbia.

Commissions and fees are charged in accordance with the *Public Guardian and Trustee Fees Regulation*.

#### ii) Revenue Variances [unaudited] For the year ended March 31, 2011 (expressed in thousands of dollars)

*Brackets in variance column indicate actual revenues in excess of budget*

	Budget	Actual	Variance	Note
<b>Revenues</b>				
<b>Self-generated funding</b>				
Commissions	\$8,948	\$10,170	\$(1,222)	1
Asset management fees	3,000	3,179	(179)	2
Estate liaison administration fees	350	568	(218)	3
Estate and personal trust services heir tracing fees	125	121	4	
Fees including private committee, infant settlement, and applications to court	1,200	1,227	(27)	
Cost recoveries	154	212	(58)	
<b>Voted funding</b>				
Funding from the Province of British Columbia	9,462	9,462	-	
<b>Total Revenues</b>	<b>\$23,239</b>	<b>\$24,939</b>	<b>\$(1,700)</b>	

#### iii) Explanatory Notes on Revenue Variances

1. The increase in commissions reflects an increased overall value of client assets and investments.
2. Net assets held in trust increased by approximately \$45M in 2010-2011 with a corresponding positive effect on the asset management fee revenue.
3. The number of estate liaison clients and the amount of overall asset values administered by PGT were higher in 2010-2011.



## Expenses and Variances

### i) Expense Variances [unaudited] For the year ended March 31, 2011 (expressed in thousands of dollars)

*Brackets in variance column indicate actual expenses in excess of budget*

	Budget	Actual	Variance	Note
<b>Expenses</b>				
Salaries and benefits	\$18,022	\$18,111	\$(89)	
Professional contracts	1,837	2,635	(798)	1
Building occupancy	-	49	(49)	
Computer related	1,324	1,915	(591)	2
Other	1,260	1,461	(201)	3
Expense (recoveries)	(107)	(54)	(53)	
<b>Total Expenses</b>	<b>\$22,336</b>	<b>\$24,117</b>	<b>\$(1,781)</b>	

### ii) Explanatory Note on Expense Variances

1. The increase in professional contracts resulted from continued work on enhancing control processes during fiscal 2010-2011 as per recommendations from Deloitte.
2. Computer related costs increased over budget due to continued effort as part of the PGT commitment to strengthen internal controls.
3. The variance in other expenses between budgeted expenditures and actual expenditures resulted from postage and office supply costs.

Public Guardian and Trustee of British Columbia  
Allocation of Revenues and Expenditures by Program - Budget [unaudited]  
Fiscal year ended March 31, 2011  
(expressed in thousands of dollars)

	Estate and Trust Services				Public Services				Totals
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	
<b>Revenues</b>									
<b>Self Generated Funding</b>									
Commissions	5,476	2,253	1,099	8,828	0	0	120	120	8,948
Asset management fees	1,675	585	697	2,957	0	0	43	43	3,000
Estate liaison administration fees	350	0	0	350	0	0	0	0	350
Estate and personal trust services heir tracing fees	0	125	0	125	0	0	0	0	125
Private committee review fees	0	0	0	0	450	0	0	450	450
Infant settlement review fees	0	0	0	0	0	0	450	450	450
Applications to Court	0	0	0	0	48	0	252	300	300
Cost recoveries	75	78	1	154	0	0	0	0	154
	7,576	3,041	1,797	12,414	498	0	865	1,363	13,777
<b>Funding from other sources</b>									
Voted funding									9,462
<b>Total Revenues</b>									23,239
<b>Expenses</b>									
Salaries and benefits	7,220	2,823	1,125	11,168	2,755	94	4,005	6,854	18,022
Professional contracts	758	94	108	960	246	0	631	877	1,837
Building occupancy	0	0	0	0	0	0	0	0	0
Computer related	327	126	511	964	137	0	223	360	1,324
Other	429	146	169	744	242	0	274	516	1,260
Expenses (recoveries)	(95)	16	(3)	(82)	(21)	0	(4)	(25)	(107)
<b>Total expenses</b>	8,639	3,205	1,910	13,754	3,359	94	5,129	8,582	22,336
	(1,063)	(164)	(113)	(1,340)	(2,861)	(94)	(4,264)	(7,219)	
<b>Excess of Revenues over Expenses</b>									\$ 903

Conforms to current year presentation

Public Guardian and Trustee of British Columbia  
Allocation of Revenues and Expenditures by Program - Actual [unaudited]  
Fiscal year ended March 31, 2011

(expressed in thousands of dollars)

	Estate and Trust Services				Public Services				Totals
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	
<b>Revenues</b>									
<b>Self Generated Funding</b>									
Commissions	6,104	2,575	1,359	10,038	0	0	132	132	10,170
Asset management fees	1,852	621	675	3,148	0	0	31	31	3,179
Estate liaison administration fees	568	0	0	568	0	0	0	0	568
Estate and personal trust services heir tracing fees	0	121	0	121	0	0	0	0	121
Private committee review fees	0	0	0	0	472	0	0	472	472
Infant settlement review fees	0	0	0	0	0	0	438	438	438
Applications to court	0	4	0	4	0	0	313	313	317
Cost recoveries	89	54	69	212	0	0	0	0	212
	<b>8,613</b>	<b>3,375</b>	<b>2,103</b>	<b>14,091</b>	<b>472</b>	<b>0</b>	<b>914</b>	<b>1,386</b>	<b>15,477</b>
<b>Funding from other sources</b>									
Voted funding									9,462
<b>Total Revenues</b>									<b>24,939</b>
<b>Expenses</b>									
Salaries and benefits	7,769	2,800	1,176	11,745	2,482	87	3,797	6,366	18,111
Professional contracts	1,100	124	145	1,369	427	0	839	1,266	2,635
Building occupancy	29	15	1	45	2	0	2	4	49
Computer related	422	164	807	1,393	195	0	327	522	1,915
Other	541	180	180	901	249	0	311	560	1,461
Expenses (recoveries)	62	(11)	(12)	39	(11)	0	(82)	(93)	(54)
<b>Total expenses</b>	<b>9,923</b>	<b>3,272</b>	<b>2,297</b>	<b>15,492</b>	<b>3,344</b>	<b>87</b>	<b>5,194</b>	<b>8,625</b>	<b>24,117</b>
	(1,310)	103	(194)	(1,401)	(2,872)	(87)	(4,280)	(7,239)	
<b>Excess of Revenues over Expenses</b>									<b>\$ 822</b>

Conforms to current year presentation

## 2010 | 2011 Financial Statements

Operating Account  
Estates and Trusts Administered



Financial Statements of

**PUBLIC GUARDIAN AND TRUSTEE OF  
BRITISH COLUMBIA**

Operating Account

Year ended March 31, 2011

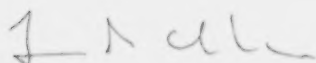


## MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE OPERATING ACCOUNT FINANCIAL STATEMENTS OF THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Management is responsible for preparing the accompanying financial statements and is responsible for their integrity and objectivity. The financial statements are prepared in conformity with Canadian public sector accounting standards and include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's code of ethics and business conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial statements and their report follows.



Jay Chalke, Q.C.  
Public Guardian and Trustee

June 21, 2011



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## INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee

We have audited the accompanying financial statements of the Operating Account of the Public Guardian and Trustee of British Columbia, which comprise the statement of financial position as at March 31, 2011 and the statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**KPMG LLP**

**Chartered Accountants**

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*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Guardian and Trustee of British Columbia as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Accountants

June 21, 2011

Vancouver, Canada

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

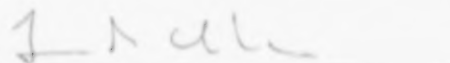
Statement of Financial Position  
(Expressed in thousands of dollars)

March 31, 2011, with comparative figures for 2010

	2011	2010
<b>Financial assets</b>		
Accounts receivable	\$ 752	\$ 520
Due from the Province of British Columbia (note 3(a))	23,950	22,802
	24,702	23,322
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	975	909
Deferred revenue	381	-
	1,356	909
<b>Net financial assets</b>	23,346	22,413
<b>Non-financial assets</b>		
Tangible capital assets (note 4)	1,061	1,172
<b>Accumulated surplus</b>	\$ 24,407	\$ 23,585

Contingent liabilities (note 5)

The accompanying notes are an integral part of these financial statements.



Jay Chalke, Q.C.  
Public Guardian and Trustee

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

### Statement of Operations and Accumulated Surplus (Expressed in thousands of dollars)

Year ended March 31, 2011, with comparative figures for 2010

	2011 Budget (Unaudited - note 6)	2011	2010
Revenue:			
Operating revenue	\$ 13,777	\$ 15,477	\$ 15,317
Funding from the Province of British Columbia (note 3(b))	9,462	9,462	10,450
	23,239	24,939	25,767
Expenses (note 3(c)):			
Salaries and benefits (note 7)	18,022	18,111	17,526
Building occupancy	-	49	1,825
Computer systems and support	1,287	1,915	1,312
Other operating and administrative costs	740	975	1,105
Professional services	336	703	784
Legal services	692	1,006	665
Amortization	633	570	664
Client expenditures	626	788	626
	22,336	24,117	24,507
Annual surplus	903	822	1,260
Accumulated surplus, beginning of year	23,585	23,585	22,325
Accumulated surplus, end of year	\$ 24,488	\$ 24,407	\$ 23,585

The accompanying notes are an integral part of these financial statements.



# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

### Statement of Changes in Net Financial Assets (Expressed in thousands of dollars)

Year ended March 31, 2011, with comparative figures for 2010

	2011 Budget (Unaudited - note 6)	2011	2010
Annual surplus	\$ 903	\$ 822	\$ 1,260
Net acquisition of tangible capital assets	(500)	(459)	(257)
Amortization of tangible capital assets	633	570	664
Increase in net financial assets	1,036	933	1,667
Net financial assets, beginning of the year	22,413	22,413	20,746
Net financial assets, end of the year	\$ 23,449	\$ 23,346	\$ 22,413

The accompanying notes are an integral part of these financial statements.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

Statement of Cash Flows (note 3(a))  
(Expressed in thousands of dollars)

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Due from the Province of British Columbia increased by:		
Operating activities:		
Annual surplus	\$ 822	\$ 1,260
Items not affecting cash:		
Amortization	570	664
Change in non-cash operating items	215	201
	1,607	2,125
Capital activities:		
Acquisition of tangible capital assets	(459)	(257)
Increase in due from the Province of British Columbia	1,148	1,868
Due from the Province of British Columbia, beginning of year	22,802	20,934
Due from the Province of British Columbia, end of year	\$ 23,950	\$ 22,802

The accompanying notes are an integral part of these financial statements.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2011

---

### 1. Reporting entity:

The Public Guardian and Trustee Operating Account ("Operating Account") operates under the authority of the Public Guardian and Trustee Act (the "Act"). The Operating Account is not liable for taxation, except insofar as the government is liable. The Operating Account was established as a Special Account in the general fund of the consolidated revenue fund of the Province of British Columbia.

Spending from revenue in excess of the budget approved by the Province of British Columbia or from the Operating Account Balance requires Treasury Board approval.

The Operating Account reports the revenues earned from the services provided to clients of the Public Guardian and Trustee (the "PGT") and the operating and capital expenditures relating to the provision of these services. Clients are adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons, and children in receipt of settlement funds, insurance policy proceeds or money from estates.

Separate financial information has been prepared as of March 31, 2011 for client trust accounts, which include \$831 million (2010 - \$786 million) of net assets held in trust.

### 2. Significant accounting policies:

#### (a) Basis of accounting:

Management has prepared these financial statements in accordance with Canadian public sector accounting standards.

#### (b) Tangible capital assets:

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. Computer hardware and software purchases less than ten thousand dollars are amortized over three years. All remaining assets are amortized over five years.

#### (c) Revenue recognition:

Operating revenues consist of commissions and fees paid by trust clients in accordance with the *Public Guardian and Trustee Fees Regulation* as provided for under the Act. Commissions and fees are recognized in the period in which the service is provided or at the point in time directed by regulation, court order, co-trustees or beneficiaries. Funding from the Province of British Columbia is recognized as revenue when received, unless the funding contains stipulations on how it is to be expended by the PGT, in which case the funding is recorded as deferred revenue. Once the stipulations have been met, the funding is subsequently recognized as revenue.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2011

---

### 2. Significant accounting policies (continued):

(d) Client expenditures:

Client expenditures represent amounts paid for clients' property management, advances to clients and other miscellaneous expenditures made on behalf of clients. Legal expenditures paid on behalf of clients are reported under legal services.

(e) Employee benefit plans:

All eligible employees participate in a multi-employer defined benefit pension plan. Defined contribution plan accounting has been applied to the Plan as the PGT has insufficient information to apply defined benefit plan accounting. Accordingly, the PGT's contributions are expensed in the year in which the services are rendered and represent its total pension obligation.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions in determining reported amounts. The only significant area requiring the use of management estimates is the estimation of the collectability of accounts receivable. Actual results could differ from these estimates.

(g) Segmented information:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information. As the Operating Account's sole activity is the managing of services provided to clients of the PGT, additional disclosure is not required.

(h) Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2011

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#### **3. Related party transactions:**

The Public Guardian and Trustee is a corporation sole. All transactions with related parties, including the Province of British Columbia ministries, agencies and Crown corporations occurred in the normal course of operations and are valued at the exchange amount, which reflects fair value unless otherwise disclosed in these notes.

- (a) The PGT uses the Province of British Columbia's financial and banking systems to process and record its transactions. The amount due from the Province of British Columbia represents the net financial transactions of the Operating Account.
- (b) A transfer of \$9,462 (2010 - \$10,450) from a sub-vote of the Ministry of Attorney General has been provided for services to incapable adults, children and youth and for other expenditures of the PGT.
- (c) Certain financial and administrative services; post-employment benefits; and, effective April 2010, office and warehouse facilities, are provided centrally by various ministries and agencies of the government of British Columbia. The costs of these services are not charged to the Operating Account and are therefore not included in these financial statements.



# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2011

### 4. Tangible capital assets:

	2010										
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Amortization beginning of year	Disposals	Additional expense	Amortization end of year	Net book value end of year	Net book value beginning of year	
Operating equipment	\$ 72	\$ -	\$ -	\$ 72	\$ (11)	\$ -	\$ (14)	\$ (25)	\$ 47	\$ 61	
Furniture and equipment	160	108	(24)	244	(75)	24	(27)	(78)	166	85	
Personal computer software	299	76	(175)	200	(77)	175	(22)	(118)	82	28	
Computer hardware – less than \$10,000	538	50	(55)	533	(369)	55	(89)	(403)	130	169	
Server computer software	2,813	-	-	2,813	(1,777)	-	(435)	(2,212)	601	1,036	
Computer hardware – greater than \$10,000	410	23	-	433	(380)	-	(26)	(406)	27	30	
Tenant improvement	704	-	-	704	(534)	-	(51)	(585)	119	170	
Total	\$ 4,996	\$ 257	\$ (254)	\$ 4,999	\$ (3,417)	\$ 254	\$ (664)	\$ (3,827)	\$ 1,172	\$ 1,579	

	2011										
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Amortization beginning of year	Disposals	Additional expense	Amortization end of year	Net book value end of year	Net book value beginning of year	
Operating equipment	\$ 72	\$ -	\$ -	\$ 72	\$ (25)	\$ -	\$ (14)	\$ (39)	\$ 33	\$ 47	
Furniture and equipment	244	39	-	283	(78)	-	(52)	(130)	153	166	
Personal computer software	200	3	(52)	151	(118)	52	(34)	(100)	51	82	
Computer hardware – less than \$10,000	533	38	-	571	(403)	-	(80)	(483)	88	130	
Server computer software	2,813	350	-	3,163	(2,212)	-	(349)	(2,561)	602	601	
Computer hardware – greater than \$10,000	433	29	(246)	216	(406)	246	(11)	(171)	45	27	
Tenant improvement	704	-	-	704	(585)	-	(30)	(615)	89	119	
Total	\$ 4,999	\$ 459	\$ (298)	\$ 5,160	\$ (3,827)	\$ 298	\$ (570)	\$ (4,099)	\$ 1,061	\$ 1,172	

Cost includes fully amortized assets that are still in use of \$1,986 (2010 - \$1,485).

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Operating Account

Notes to Financial Statements  
(Expressed in thousands of dollars)

Year ended March 31, 2011

---

#### 5. Contingent liabilities:

From time to time, the Public Guardian and Trustee is a defendant in legal actions in carrying out his duties. Under Section 21 of the Act, monies required to discharge any liability or claim against the PGT must be paid out of the consolidated revenue fund of the Province of British Columbia.

#### 6. Budgeted figures:

Unaudited budgeted figures have been provided for fiscal 2011 from the estimates approved by Treasury Board for comparison purposes.

#### 7. Employee benefit plans:

The PGT and all eligible employees contribute to the Public Service Pension Plan, a multi-employer, defined benefit, and joint trusteeship plan, established for certain British Columbia public service employees. The British Columbia Pension Corporation administers the Plan, including payments of pension benefits to eligible employees. A board of trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of assets and administration of benefits.

The Plan is contributory, and its basic benefits are based on years of service and average earnings at retirement. Under joint trusteeship, the risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan members and will be reflected in their future contributions.

Every three years an actuarial valuation is performed to assess the financial position of the pension plan and the adequacy of the funding. The latest actuarial valuation as at March 31, 2008 reported a surplus.

Pension expense for 2011 included in salaries and benefits expense was \$1,347 (2010 - \$1,290).

#### 8. Fair value:

In the opinion of management, the fair value of the Operating Account's financial instruments, which include due from the Province of British Columbia, accounts receivable, and accounts payable and accrued liabilities are not materially different from their carrying value.

Financial Information

**PUBLIC GUARDIAN AND TRUSTEE OF  
BRITISH COLUMBIA**

Estates and Trusts Administered

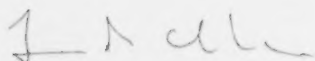
Year ended March 31, 2011

## MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL INFORMATION OF ESTATES AND TRUSTS ADMINISTERED BY THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Management is responsible for preparing the accompanying financial information and is responsible for their integrity and objectivity. The financial information is prepared in conformity with International Financial Reporting Standards and include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's code of ethics and business conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial information and their report follows.



Jay Chalke, Q.C.  
Public Guardian and Trustee

June 21, 2011



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## INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee of British Columbia

We have audited the accompanying financial information of the Estates and Trusts Administered by the Public Guardian and Trustee of British Columbia, which comprise the statement of net assets as at March 31, 2011 and the statements of income and expenses, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Information*

Management is responsible for the preparation and fair presentation of this financial information in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on this financial information based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to an entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.





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*Opinion*

In our opinion, the financial information presents fairly, in all material respects, the net assets of the Estates and Trusts Administered by the Public Guardian and Trustee of British Columbia as at March 31, 2011 and their income and expenses, changes in net assets and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants

Vancouver, Canada  
June 21, 2011

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Net Assets of Estates and Trusts Administered  
(Expressed in thousands of dollars)

	March 31, 2011	March 31, 2010	April 1, 2009 (note 2)
<b>Assets</b>			
Premium Money Market Fund (note 5)	\$ 476,095	\$ 472,103	\$ 463,060
Balanced Income Fund (note 6)	27,949	23,384	20,377
Balanced Growth Fund (note 7)	65,905	62,682	53,248
Other investments and securities (note 8)	114,916	102,158	89,363
Other financial assets (note 9)	10,114	11,811	13,404
Real property (note 10)	157,464	129,735	142,673
Other assets	7,331	7,139	6,540
	859,774	809,012	788,665
<b>Liabilities</b>			
Accounts payable	5,662	7,524	4,461
Mortgages and loans payable	22,558	14,526	14,794
Payable to the Public Guardian and Trustee Operating Account (note 12(b))	670	466	551
	28,890	22,516	19,806
<b>Net Assets of Estates and Trusts Administered</b>	<b>\$ 830,884</b>	<b>\$ 786,496</b>	<b>\$ 768,859</b>

The accompanying notes are an integral part of this financial information.

*J Chalke*

Jay Chalke, Q.C.  
Public Guardian and Trustee

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Statement of Income and Expenses of Estates and Trusts Administered

(Expressed in thousands of dollars)

Year ended March 31, 2011, with comparative figures for 2010

	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Real property	2011 Total	2010 Total
Income:							
Pensions, benefits and settlements	\$ 84,051	\$ -	\$ -	\$ -	\$ -	\$ 84,051	\$ 71,022
Interest and dividends	8,319	805	1,878	2,444	-	13,446	13,804
	92,370	805	1,878	2,444	-	97,497	84,826
Expenses:							
Client care and maintenance (note 12a)	56,233	-	-	-	-	56,233	53,337
Commissions and fees paid to the Public Guardian and Trustee Operating Account (note 12b)	15,067	209	382	-	-	15,658	15,002
Professional services (note 12c)	7,541	45	133	274	-	7,993	8,016
Income taxes paid from Estates and Trusts Administered	1,580	-	-	9	-	1,589	5,022
	80,421	254	515	283	-	81,473	81,377
Net income (loss) before realized and unrealized gains/losses	11,949	551	1,363	2,161	-	16,024	3,449
Realized and unrealized gains/losses:							
Net realized gains (losses) on assets sold or released	-	317	15	779	1,759	2,870	(2,811)
Change in unrealized gains (losses)	(485)	797	3,928	5,279	5,357	14,876	17,163
	(485)	1,114	3,943	6,058	7,116	17,746	14,352
Net income, representing total comprehensive income	\$ 11,464	\$ 1,665	\$ 5,306	\$ 8,219	\$ 7,116	\$ 33,770	\$ 17,801

The accompanying notes are an integral part of this financial information.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Statement of Changes in Net Assets of Estates and Trusts Administered

(Expressed in thousands of dollars)

	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Other financial assets	Real property	Other assets less liabilities	Total
<b>Balance at April 1, 2009</b>	\$ 463,060	\$ 20,377	\$ 53,248	\$ 89,363	\$ 13,404	\$ 142,673	\$ (13,266)	\$ 768,859
Net income, representing comprehensive income for the year	(4,101)	3,137	10,871	13,057	-	(5,163)	-	17,801
Other changes in net assets of Estates and Trusts Administered:								
Assets acquired	-	-	-	35,375	34,555	54,174	-	124,104
Assets purchased from Estates and Trusts Administered	(2,324)	-	-	-	-	1,640	-	(684)
Assets sold or collected	-	-	-	(24,267)	(32,927)	(42,753)	-	(99,947)
Net proceeds from sale or collection of assets	97,150	-	-	-	306	-	-	97,456
Transfers between assets	2,950	(130)	(1,437)	(1,383)	-	-	-	-
Assets released to clients, beneficiaries and heirs	-	-	-	(9,987)	(3,527)	(20,836)	-	(34,350)
Cash distributions to clients, beneficiaries and heirs	(83,009)	-	-	-	-	-	-	(83,009)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society (note 13)	(1,623)	-	-	-	-	-	-	(1,623)
Movement in other assets less liabilities	-	-	-	-	-	-	(2,111)	(2,111)
<b>Total changes in net assets of Estates and Trusts Administered</b>	<b>9,043</b>	<b>3,007</b>	<b>9,434</b>	<b>12,795</b>	<b>(1,593)</b>	<b>(12,938)</b>	<b>(2,111)</b>	<b>17,637</b>
<b>Balance at March 31, 2010</b>	<b>472,103</b>	<b>23,384</b>	<b>62,682</b>	<b>102,158</b>	<b>11,811</b>	<b>129,735</b>	<b>(15,377)</b>	<b>786,496</b>
Net income, representing comprehensive income for the year	11,464	1,665	5,306	8,219	-	7,116	-	33,770
Other changes in net assets of Estates and Trusts Administered:								
Assets acquired	-	-	-	32,365	34,078	73,287	-	139,730
Assets purchased from Estates and Trusts Administered	(1,671)	-	-	-	-	1,158	-	(513)
Assets sold or collected	-	-	-	(20,950)	(33,667)	(37,812)	-	(92,429)
Net proceeds from sale or collection of assets	90,592	-	-	-	(521)	-	-	90,071
Transfers between assets	(3,072)	2,900	(2,083)	2,255	-	-	-	-
Assets released to clients, beneficiaries and heirs	-	-	-	(9,131)	(1,587)	(16,020)	-	(26,738)
Cash distributions to clients, beneficiaries and heirs	(92,052)	-	-	-	-	-	-	(92,052)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society (note 13)	(1,269)	-	-	-	-	-	-	(1,269)
Movement in other assets less liabilities	-	-	-	-	-	-	(6,182)	(6,182)
<b>Total changes in net assets of Estates and Trusts Administered</b>	<b>3,992</b>	<b>4,565</b>	<b>3,223</b>	<b>12,758</b>	<b>(1,697)</b>	<b>27,729</b>	<b>(6,182)</b>	<b>44,388</b>
<b>Balance at March 31, 2011</b>	<b>\$ 476,095</b>	<b>\$ 27,949</b>	<b>\$ 65,905</b>	<b>\$ 114,916</b>	<b>\$ 10,114</b>	<b>\$ 157,464</b>	<b>\$ (21,559)</b>	<b>\$ 830,884</b>

The accompanying notes are an integral part of this financial information.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Cash Flows of Estates and Trusts Administered (note 3(d))

(Expressed in thousands of dollars)

Year ended March 31, 2011, with comparative figures for 2010

	2011	2010
Cash provided by (used in):		
Operating activities:		
Income:		
Pensions, benefits and settlements	\$ 84,051	\$ 71,022
Interest and dividends	9,063	9,489
Expenses:		
Client care and maintenance	(56,233)	(53,337)
Commissions and fees paid to the Public Guardian and Trustee Operating Account	(15,067)	(14,620)
Professional services	(7,541)	(7,593)
Income taxes paid from Estates and Trusts Administered	(1,580)	(5,016)
	12,693	(55)
Investing activities:		
Contributions to Balanced Income Fund	(4,786)	(4,703)
Withdrawals from Balanced Income Fund	1,885	4,833
Contributions to Balanced Growth Fund	(5,385)	(6,389)
Withdrawals from Balanced Growth Fund	7,468	7,826
Contributions to other investments and securities	(7,787)	(9,157)
Withdrawals from other investments and securities	4,788	9,558
Purchases of real property	(1,158)	(1,640)
Purchases of other assets	(513)	(684)
Net proceeds from sale of assets	56,926	64,223
	51,438	63,867
Financing activities:		
Proceeds from collection of assets	33,667	32,927
Distributions to clients, beneficiaries and heirs	(92,052)	(83,009)
Transfers of unclaimed assets	(1,269)	(1,623)
	(59,654)	(51,705)
Increase in Cash and Cash Equivalents	4,477	12,107
Decrease in unrealized gain on Premium Money Market Fund	(485)	(3,064)
Premium Money Market Fund, representing cash and cash equivalents, beginning of year (note 3(d))	472,103	463,060
Premium Money Market Fund, representing cash and cash equivalents, end of year (note 3(d))	\$ 476,095	\$ 472,103

The accompanying notes are an integral part of these financial statements.



# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

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### 1. Reporting entity:

The Public Guardian and Trustee of British Columbia (the "PGT") operates under the *Public Guardian and Trustee Act* (the "Act") and other provincial statutes to uphold the legal rights and safeguard the financial interests of adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons and children in receipt of settlement funds, insurance policy proceeds or money from estates.

This set of financial information reflects the net assets held in trust and activity for the estates and trusts administered by the PGT. Separate financial statements have been prepared for the PGT Operating Account, which report the revenues, expenses and capital expenditures of the PGT.

### 2. Basis of preparation:

#### (a) Statement of compliance:

This financial information has been prepared in accordance with the principles of International Financial Reporting Standards ("IFRS"). This is the first set of financial information that has been prepared under IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. In previous years, this financial information was prepared in compliance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"), except for real property assets, which were held at fair value, rather than cost as otherwise required under Canadian GAAP.

The transition date elected by the PGT was April 1, 2009. The adoption of IFRS has been applied retroactively. The transition to IFRS impacted only the presentation of this financial information. There were no numerical adjustments required at the time of transition and accordingly there were no changes to the Net Assets of Estates and Trusts Administered.

This financial information meets the requirements of Section 25 of the Act.

#### (b) Basis of measurement:

The financial information has been prepared on the historical cost basis except for the Premium Money Market Fund, Balanced Income Fund, Balanced Growth Fund, other investments and securities, real property, and amounts receivable included in other financial assets.

#### (c) Functional and presentational currency:

The financial information is presented in Canadian dollars, which is the functional currency for the PGT.

# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

## Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

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### 2. Basis of preparation (continued):

#### (d) Use of estimates and judgments:

The preparation of this financial information in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Significant areas of estimation include the valuation of investments and real property. Actual values ultimately realized may differ from these estimates and are recognized in the period in which the estimates are revised and in any future periods affected.

### 3. Summary of significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in this financial information and in preparing the opening IFRS statement of net assets at April 1, 2009 for the purposes of the transition to IFRS.

#### (a) Recognition and valuation of assets and liabilities:

On initial recognition, assets and liabilities are recorded at fair value on the effective date the PGT commences administration of the asset or liability, which is the date of death for estate administration, the date of PGT appointment for trust administration or the date that the estate or trust assumed beneficial ownership for assets and liabilities acquired after PGT appointment.

The Premium Money Market Fund ("PMMF"), Balanced Income Fund ("BIF"), Balanced Growth Fund ("BGF") and other investments and securities are carried at fair value as determined from valuation data provided by investment service providers.

Amounts receivable included in other financial assets are carried at fair value.

Other assets include jewellery, collectibles, intangibles, vehicles and effects and are carried at cost, which represents the estimated fair value of the asset on the effective date that the PGT commenced administration of the asset.

All financial liabilities are carried at amortized cost.

#### (b) Valuation of real property:

IFRS requires that, in the absence of an IFRS that can be specifically applied to a situation, management should use judgment in developing and applying an accounting policy to provide relevant, reliable and prudent information. In these instances, it is suggested that IFRS requirements in dealing with similar issues are applied, as well as measurement concepts included within the IFRS Framework.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

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### 3. Summary of significant accounting policies (continued):

#### (b) Valuation of real property (continued):

Real property included within the statement of net assets primarily represents the value of residential properties, currently occupied by the clients of the PGT. This property does not meet the definition of property, plant and equipment, nor investment property, although the acceptable measurement bases for such assets include both cost and fair value.

Accordingly, real property is carried at fair value in the statement of net assets as determined by professional appraisals or, where an appraisal is not available or is not current, as determined from the most recent British Columbia Assessment Authority property assessment or other relevant valuation data.

#### (c) Revenue recognition:

Income from pensions, benefits and settlements, as well as interest and dividends is recognized on an accrual basis.

Gains and losses on assets represent the appreciation or depreciation in the value of assets administered by the PGT from the value assigned on the date of appointment of the client (if acquired on appointment) or date of purchase (if purchased for clients after appointment). Such gains and losses become realized on the date the assets are sold or released to clients, beneficiaries and heirs. Both realized gains/losses and changes in unrealized gains/losses are reported in the statement of income and expenses.

#### (d) Cash and cash equivalents:

The PMMF is used for day-to-day receipts and disbursements for all clients. Investments held by the PMMF are highly liquid and may be easily drawn upon by the PGT in administering the estates and trusts. Cash held in individual external client bank accounts, included in other financial assets (note 9), is not classified as cash and cash equivalents.

### 4. Financial risk management:

As a fiduciary, the PGT is responsible for managing the assets owned by each estate and trust under his authority. The PGT must exercise the care, skill, diligence and judgment of a prudent investor for his clients.

Under Section 12 of the Act, the PGT is permitted to create common funds within the trust fund account. The PGT has established three common funds called the PMMF, the BIF and the BGF. The PMMF holds short and medium term fixed income investments and is used for day to day receipts and disbursements of all clients. The BIF and the BGF hold investments which are appropriate for clients with longer term investment horizons.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

#### 4. Financial risk management (continued):

Under Section 13(1) of the Act, the PGT is permitted to make separate investments for clients if the money is subject to an express trust or direction for investment or it is, for any other reason, in the best interests of the client to do so. Other investments and securities include separate investment portfolios and registered plans which are established or maintained for clients according to their investment profile.

The three common funds are managed by British Columbia Investment Management Corporation ("bcIMC"), an independently managed Crown corporation. Other investments are managed by private investment management firms.

The PGT maintains a risk management practice that includes quarterly monitoring of the returns and risk profile of the three common funds and other client investment portfolios. PGT corporate investment policies assign the investment asset mix strategies for client trusts based on client risk tolerance. Four investment portfolio asset mix models are used and client investment portfolios are allocated amongst the three common funds as follows:

Asset Mix	Fixed Income	Equity	Investment portfolio allocation
Model A	40%	60%	Balanced Growth Fund
Model B	60%	40%	Balanced Income Fund
Model C	80%	20%	Blend of Balanced Income Fund and Premium Money Market Fund
Model D	100%	0%	Premium Money Market Fund

Assets in "other investments and securities" represent individual client accounts and each is managed in accordance with the above target asset mix policies.

PGT client investments are exposed to a variety of financial risks: liquidity risk, credit risk, and market risk (comprised of interest rate risk, currency risk and other price risk). The fair value of investments can fluctuate on a daily basis as a result of these risk exposures.

#### *Liquidity risk*

Liquidity risk is the risk that a client account is unable to meet its financial obligations as they come due. PGT minimizes this risk by ensuring that client accounts hold sufficient cash funds to meet current liabilities and expenses and considers liquidity risk at March 31, 2011 and March 31 2010 to be insignificant.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

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#### 4. Financial risk management (continued):

##### *Credit risk*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into, resulting in a financial loss. The investment policy established by the PGT limits credit risk by limiting the maximum exposure to one single issuer and by investing only in debt securities from governments and corporations with a minimum rating of at least "BBB" or "R-1" as defined by Moody's, Standard & Poor's or Dominion Bond Rating Service. The funds' compliance with policy asset mix and investment guidelines is reviewed quarterly by management and the PGT Investment Advisory Committee.

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or cash flows of interest bearing investments will fluctuate due to changes in market interest rates. Interest rate risk is managed by PGT through established asset mix policies.

##### *Currency risk*

Currency risk is the risk that the fair value of investments will change due to changes in foreign exchange rates. Currency risk is managed by PGT through established asset mix policies.

##### *Other price risk*

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Other price risk is managed by PGT through established asset mix policies.



# PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

## 5. Premium Money Market Fund:

The strategic investment policy for the PMMF requires that the bond securities held must be "A low" rated or better and all short term money market instruments held must be "R-1" rated or better. The target asset mix for the PMMF is 35% Canadian government guaranteed bonds with a maximum term to maturity of 5 years and 65% government and corporate money market securities with a maximum term of 15 months.

### *Credit risk*

The amount recorded for the PMMF on the statement of net assets held in trust represents the maximum credit risk associated with the PMMF. The PMMF is comprised of cash and debt instruments with credit ratings as follows:

	2011		2010	
	Amount	%	Amount	%
Segregated bonds:				
AAA	\$ 59,790	13%	\$ 99,728	21%
AA	64,279	13	18,723	4
A	41,731	9	46,374	10
	165,800	35	164,825	35
Money market:				
R-1 or better	306,102	64	308,223	65
Cash (overdraft)	4,193	1	(945)	-
	310,295	65	307,278	65
	\$ 476,095	100%	\$ 472,103	100%

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

#### 5. Premium Money Market Fund (continued):

##### *Interest rate risk*

Debt instruments held within the PMMF mature on the following basis:

	2011	2010
Cash (overdraft)	\$ 4,193	\$ (945)
Debt instruments:		
Less than one year	314,638	351,398
One to three years	74,545	59,157
Three years to five years	82,719	62,493
	\$ 476,095	\$ 472,103

As at March 31, 2011, if interest rates were to increase or decrease by 1%, with other variables held constant, the fair value of the PMMF, and accordingly, net assets, would have increased or decreased, respectively, by approximately \$5.3 million (2010 - \$4.6 million).

##### *Currency risk*

As at March 31, 2011, the PMMF is not exposed to currency risk as all PMMF securities are denominated in Canadian dollars (2010 - nil).

##### *Other price risk*

As at March 31, 2011, the PMMF is not exposed to other price risk as all PMMF securities are fixed income instruments (2010 - nil).

#### 6. Balanced Income Fund:

The BIF is a fund of funds unitized pool of investments managed by an independent investment manager. The investment objective is to enhance returns for investors with a low to moderate level of risk by investing in a well-diversified portfolio. The investment policy target asset mix is 60% fixed income securities, rated "BBB" or better for bonds or "R-1" or better for money market securities, and 40% domestic and international equities, invested through indexed pooled funds.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

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#### 6. Balanced Income Fund (continued):

##### *Credit risk and interest rate risk*

The BIF's maximum exposure to credit risk as at March 31, 2011 is \$17.0 million (2010 - \$14.5 million), representing the proportion of debt instruments within the BIF at March 31, 2011. The BIF's investment policy guidelines require that debt instruments are rated "BBB" or "R-1" or better and have a duration within 20% of the DEX Universe Bond Index.

The BIF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2011, if interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BIF, and accordingly net assets, would have increased or decreased, respectively, by approximately \$0.8 million (2010 - \$0.8 million).

##### *Currency risk*

The BIF's maximum exposure to currency risk at March 31, 2011 is \$7.8 million (2010 - \$6.7 million), representing the proportion of international equity investments within the BIF at March 31, 2011, of which \$3.9 million (2010 - \$3.4 million), is exposed to US dollars and \$3.9 million (2010 - \$3.3 million) is exposed to other international currencies.

As at March 31, 2011, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BIF, and accordingly net assets held in trust, would have decreased or increased, respectively, by approximately \$0.2 million (2010 - \$0.1 million).

##### *Other price risk*

The BIF's maximum exposure to other price risk as at March 31, 2011 is \$11.2 million (2010 - \$9.8 million), representing the proportion of equity instruments within the BIF at March 31, 2011. As the BIF uses an indexed pooled and portfolio strategy, the BIF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BIF due to a 10% change in benchmark, using historical correlation between the return of the BIF units as compared to the BIF's benchmark, as at March 31, 2011, with all other variables held constant, would be an increase or decrease to the fair value of the BIF, and accordingly net assets, of \$1.2 million (2010 - \$1.0 million).

#### 7. Balanced Growth Fund:

The BGF is a fund of funds unitized pool of investments managed by an independent investment manager. The investment objective of the BGF is to enhance long-term returns for investors with a moderate to high level of risk by investing in a well-diversified portfolio. The investment policy target asset mix is 40% fixed income securities, rated "BBB" or better for bonds or "R-1" or better for money market securities and 60% domestic and international equities, invested through indexed pooled funds.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

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#### 7. Balanced Growth Fund (continued):

##### *Credit risk and interest rate risk*

The BGF's maximum exposure to credit risk as at March 31, 2011 is \$26.3 million (2010 - \$24.5 million), representing the proportion of debt instruments within the BGF at March 31, 2011. The BGF's investment policy guidelines require that debt instruments are rated "BBB" or "R-1" or better and have a duration within 20% of the DEX Universe Bond Index.

The BGF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2011, if the interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have increased or decreased by approximately \$1.5 million (2010 - \$1.3 million).

##### *Currency risk*

The BGF's maximum exposure to currency risk at March 31, 2011 is \$26.7 million, (2010 - \$25.6 million), representing the proportion of international equity investments within the BGF at March 31, 2011, of which \$13.6 million (2010 - \$13.0 million) is exposed to US dollars and \$13.1 million (2010 - \$12.6 million) is exposed to other international currencies.

As at March 31, 2011, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have decreased or increased, respectively, by approximately \$0.5 million (2010 - \$0.5 million).

##### *Other price risk*

The BGF's maximum exposure to other price risk as at March 31, 2011 is \$41.0 million (2010 - \$38.8 million), representing the proportion of equity instruments within the BGF at March 31, 2011. As the BGF uses an indexed pooled fund portfolio strategy, the BGF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BGF due to a 10% change in benchmark, using historical correlation between the return of the BGF units as compared to the BGF's benchmark, as at March 31, 2011, with all other variables held constant, would be an increase or decrease to the fair value of the BGF, and accordingly net assets, of \$4.1 million (2010 - \$3.9 million).

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

#### 8. Other investments and securities:

Other investments and securities are comprised of the following:

	2011	2010
Investment portfolios	\$ 62,224	\$ 56,596
Registered plans	20,540	15,955
Other	32,152	29,607
	<u>\$ 114,916</u>	<u>\$ 102,158</u>

The balance of other investments and securities is comprised of numerous individual client accounts, each managed in accordance with specific target asset mix policies. Each individual client account is exposed to credit, interest rate, currency and other price risks based on individual asset mix and holdings. In management's opinion, aggregation and presentation of these individual risk exposures and fair value hierarchy measurements (note 11) would not provide additional meaningful information.

#### 9. Other financial assets:

Other financial assets are comprised of the following:

	2011	2010
Cash in external client bank accounts	\$ 4,444	\$ 3,481
Amounts receivable	5,670	8,330
	<u>\$ 10,114</u>	<u>\$ 11,811</u>

External client bank accounts are bank accounts in the name of individual clients that were held at the time that the PGT commenced administration of the assets and that remain open as at the financial reporting date. The collection of cash from these external client bank accounts to the PMMF is classified as proceeds from collection of assets on the statement of cash flows. In management's opinion, aggregation on and presentation of the fair value hierarchy measurement (note 11) of all external client bank accounts would not provide additional meaningful information to the user of this financial information.



## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

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#### 10. Real property:

Real property includes land, buildings and manufactured homes. As at March 31, 2011, approximately 98% (2010 - 99%) of the fair value of real properties is related to properties located in British Columbia.

#### 11. Fair values:

The PMMF, BIF, BGF, other investments and securities and other financial assets are reflected in the statement of net assets at fair value. In management's opinion, the fair values of other financial assets and accounts payable, mortgages and loans payable, and amounts payable to the PGT Operating Account are not materially different from the carrying value.

##### *Fair Value Hierarchy*

The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted prices in active markets for identical assets or liabilities that the PGT has the ability of accrue at the measurement date.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are unobservable: there is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

As at March 31, 2011, and March 31, 2010, the PMMF, BIF and BGF investments were fair valued using Level 2 inputs. For each of the years ending March 31, 2011, and 2010, there were no significant transfers between Level 1 and Level 2.

#### 12. Expenses:

##### (a) Client care and maintenance:

Client care and maintenance represents goods and services purchased for clients and for personal living expenses, including payments to care facilities.

## PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

### Estates and Trusts Administered

Notes to Financial Information of Estates and Trusts Administered  
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2011

#### 12. Expenses (continued):

(b) Commissions and fees paid to the Public Guardian and Trustee Operating Account:

Commissions and fees are paid on behalf of clients, for services provided by the PGT in accordance with the Public Guardian and Trustee Fees Regulation as provided for under the Act.

Amount payable to the PGT Operating Account is comprised of the following:

	2011	2010
Total amount payable to PGT Operating Account	\$ 701	\$ 495
Less: payables reflected in fair value of funds:		
Balanced Income Fund	(9)	(8)
Balanced Growth Fund	(22)	(21)
	\$ 670	\$ 466

(c) Professional fees:

Professional fees are payments on behalf of clients for services such as accounting, legal, investment management, custodial, funeral and property management.

#### 13. Unclaimed assets transferred to the British Columbia Unclaimed Property Society:

Unclaimed assets are transferred quarterly to the British Columbia Unclaimed Property Society when they are deemed inactive by the PGT under Section 27.1 of the Act.



Jay Chalke, Q.C., Public Guardian and Trustee of British Columbia since 2000, resigned from his position to assume another public service position. Jay was the first person appointed Public Guardian and Trustee when the position was established under the *Public Guardian and Trustee Act*. During his tenure, he played a central role in improving the quality of service to PGT clients and advocating for law reform to better protect the interests of PGT clients.



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PUBLIC GUARDIAN  
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